



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

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission file number 001-32945

WNS (Holdings) Limited

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Jersey, Channel Islands

(Jurisdiction of incorporation or organization)

Gate 4, Godrej & Boyce Complex

Pirojshanagar, Vikhroli (W)

Mumbai 400 079, India

(Address of principal executive offices)



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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
American Depositary Shares, each represented by one Ordinary Share, par value 10 pence per share	The New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As at March 31, 2017, 50,012,559 ordinary shares (excluding 3,300,000 treasury shares), par value 10 pence per share, were issued and outstanding, of which 49,721,174 ordinary shares were held in the form of American Depositary Shares ("ADSs"). Each ADS represents one ordinary share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company," in Rule 12b-2 of the Exchange Act. (Check one):

- Large accelerated filer Accelerated filer Non-accelerated filer
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.



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WNS HOLDINGS LIMITED

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Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: Item 17 Item 18

If this report is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No



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Ex-4.12 Stock Purchase Agreement dated as of January 10, 2017 by and among WNS North America Inc. and the Sellers, the Optionholders and the Sellers Representative (each as defined therein).

Ex-4.13 Stock Purchase Agreement and Plan of Merger dated as at March 15, 2017 by and among WNS Global Services Private Limited, WNS North America Inc., WNS Healthcare North America LLC, HealthHelp Holdings, LLC, MTS HealthHelp Inc., the stockholders of MTS HealthHelp Inc., Cherrill Farnsworth and the Sellers' Representative (as defined therein).

Ex-4.14 Facility Agreement dated January 18, 2017 between WNS North America Inc. and BNP Paribas, Hong Kong.

Ex-4.15 Facility Agreement dated March 10, 2017 among WNS (Mauritius) Limited, HSBC Bank (Mauritius) Limited and Standard Chartered Bank, UK.

Ex-8.1 List of subsidiaries of WNS (Holdings) Limited

Ex-12.1 Certification by the Chief Executive Officer to 17 CFR 240, 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Ex-12.2 Certification by the Chief Financial Officer to 17 CFR 240, 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002



Ex-13.1 Certification by the Chief Executive Officer to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Ex-13.2 Certification by the Chief Financial Officer to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Ex-15.1 Consent of Grant Thornton India LLP, independent registered public accounting firm

**CONVENTIONS USED IN THIS ANNUAL REPORT**

In this annual report, references to “US” are to the United States of America, its territories and its possessions. References to “UK” are to the United Kingdom. References to “India” are to the Republic of India. References to “China” are to the People’s Republic of China. References to “South Africa” are to the Republic of South Africa. References to “\$” or “dollars” or “US dollars” are to the legal currency of the US, references to “₹” or “rupees” or “Indian rupees” are to the legal currency of India, references to “pound sterling” or “£” are to the legal currency of the UK, references to “pence” are to the legal currency of Jersey, Channel Islands, references to “Euro” are to the legal currency of the European Monetary Union, references to “South African rand” or “R” or “ZAR” are to the legal currency of South Africa, references to “A\$” or “AUD” or “Australian dollars” are to the legal currency of Australia, references to “CHF” or “Swiss Franc” are to the legal currency of Switzerland, references to “RMB” are to the legal currency of China and references to “LKR” or “Sri Lankan rupees” are to the legal currency of Sri Lanka. Our financial statements are presented in US dollars. Our financial statements included in this annual report are prepared in accordance with the International Financial Reporting Standards and its interpretations (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). Unless otherwise indicated, references to “GAAP” in this annual report are to IFRS, as issued by the IASB.

References to a particular “fiscal” year are to our fiscal year ended March 31 of that calendar year. Any discrepancies in any table between totals and sums of the amount listed are due to rounding.

In this annual report, unless otherwise specified or the context requires, the term “WNS” refers to WNS (Holdings) Limited, a public company incorporated under the laws of Jersey, Channel Islands, and the terms “our company,” “we,” “our” and “us” refer to WNS (Holdings) Limited and its subsidiaries.

In this annual report, references to “Commission” are to the United States Securities and Exchange Commission.

We also refer in various places within this annual report to “revenue less repair payments,” which is a non-GAAP financial measure that is calculated as (a) revenue less (b) in our auto claims business, payments to repair centers (1) for “fault” repair cases where we act as the principal in our dealings with the third party repair centers and our clients and (2) for “non-fault” repair cases with respect to one former client (whose contract with us was terminated with effect from April 18, 2012). This non-GAAP financial information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP.

We refer to information regarding the business process management (“BPM”) industry, our company and our competitors from market research reports, analyst reports and other publicly available sources. Although we believe that this information is reliable, we have not independently verified the accuracy and completeness of the information. We caution you not to place undue reliance on this data. BPM services are also sometimes referred to as business process outsourcing (“BPO”) services.

This annual report also includes information regarding the BPM market from the “Gartner Inc., Forecast: IT Services, Worldwide, 2015-2021 1Q17 Update” report dated March 21, 2017 by Gartner Inc. (which we refer to herein as the “Gartner Report”). *The Gartner Report described herein contains data, research opinions or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. (“Gartner”), and are not representations of fact. The Gartner Report speaks as of its original publication date (and not as of the date of this annual report) and the opinions expressed in the Gartner Report are subject to change without notice.*

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains “forward-looking statements” that are based on our current expectations, assumptions, estimates and projections about our company and our industry. The forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “anticipate”, “believe”, “estimate”, “expect”, “intend”, “will”, “project”, “seek”, “should” and similar expressions. Those statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources, tax assessment orders and future capital expenditures. We caution you that reliance on any forward-looking statement inherently involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be materially incorrect. These risks and uncertainties include but are not limited to:

- worldwide economic and business conditions;



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- political or economic instability in the jurisdictions where we have operations;
- our dependence on a limited number of clients in a limited number of industries;
- regulatory, legislative and judicial developments;
- increasing competition in the business process management industry;
- technological innovation;
- telecommunications or technology disruptions;
- our ability to attract and retain clients;
- our liability arising from fraud or unauthorized disclosure of sensitive or confidential client and customer data;
- negative public reaction in the US or the UK to offshore outsourcing;
- our ability to expand our business or effectively manage growth;
- our ability to hire and retain enough sufficiently trained employees to support our operations;
- the effects of our different pricing strategies or those of our competitors;
- our ability to successfully consummate, integrate and achieve accretive benefits from our strategic acquisitions, and to successfully grow our revenue and expand our service offerings and market share;
- future regulatory actions and conditions in our operating areas; and
- volatility of our ADS price.

These and other factors are more fully discussed in “Part I — Item 3. Key Information — D. Risk Factors”, “Part I — Item 5. Operating and Financial Review and Prospects” and elsewhere in this annual report. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans, objectives or projected financial results referred to in any of the forward-looking statements. Except as required by law, we do not undertake to release revisions of any of these forward-looking statements to reflect future events or circumstances.



PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

Our consolidated financial statements as at and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 have been prepared in conformity with IFRS, as issued by the IASB.

The following selected financial data should be read in conjunction with “Part I — Item 5. Operating and Financial Review and Prospects” and our consolidated financial statements included elsewhere in this annual report.

The following selected consolidated statement of income data for fiscal 2017, 2016 and 2015 and selected consolidated statement of financial position data as at March 31, 2017 and 2016 have been derived from our audited consolidated financial statements included elsewhere in this annual report. The selected consolidated statement of income data for fiscal 2014 and 2013 and selected consolidated statement of financial position data as at March 31, 2015, 2014 and 2013 have been derived from our audited consolidated financial statements which are not included in this annual report.

	For the year ended March 31,				
	2017	2016	2015	2014	2013
(US dollars in millions, except share and per share data)					
Consolidated statement of income data:					
Revenue	\$ 602.5	\$ 562.2	\$ 533.9	\$ 502.6	\$ 460.3
Cost of revenue ⁽¹⁾	403.3	365.4	342.7	327.7	311.0
Gross profit	199.2	196.8	191.2	174.9	149.3
Operating expenses:					
Selling and marketing expenses ⁽¹⁾	32.6	30.8	31.1	35.2	30.2
General and administrative expenses ⁽¹⁾	91.7	78.9	70.0	55.4	57.1
Foreign exchange loss/(gains), net	(14.5)	(11.0)	(4.6)	11.2	5.5
Impairment of goodwill	21.7	—	—	—	—
Amortization of intangible assets	20.5	25.2	24.2	23.8	26.4
Operating profit	47.2	72.9	70.5	49.4	30.1
Other income, net	(8.7)	(8.5)	(11.9)	(9.5)	(4.8)
Finance expense	0.5	0.3	1.3	2.9	3.6
Profit before income taxes	55.3	81.1	81.0	55.9	31.3
Provision for income taxes	17.5	21.2	22.4	14.3	9.9
Profit	\$ 37.8	\$ 59.9	\$ 58.6	\$ 41.6	\$ 21.4
Earnings per share of ordinary share:					
Basic	\$ 0.75	\$ 1.17	\$ 1.14	\$ 0.82	\$ 0.43
Diluted	\$ 0.71	\$ 1.12	\$ 1.10	\$ 0.79	\$ 0.41
Basic weighted average ordinary shares outstanding	50,582,852	51,372,117	51,633,516	50,958,864	50,309,140
Diluted weighted average ordinary shares outstanding	52,940,308	53,639,670	53,428,981	52,689,157	51,711,532



As at March 31,

2017	2016	2015	2014	2013
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(US dollars in millions)

Consolidated statement of financial position data:

	2017	2016	2015	2014	2013
<i>Assets</i>					
Cash and cash equivalents	\$ 69.8	\$ 41.9	\$ 32.4	\$ 33.7	\$ 27.9
Investments	112.0	133.0	133.5	83.8	46.5
Trade receivables including unbilled revenue, net	109.3	99.2	95.5	96.7	90.0
Other current assets ⁽²⁾	71.9	48.4	53.7	39.6	39.5
Total current assets	363.0	322.5	315.1	253.9	203.8
Goodwill and intangible assets, net	230.6	103.4	122.4	152.9	179.2
Property and equipment, net	54.8	50.4	48.2	45.2	48.4
Deferred tax assets	16.7	22.5	21.3	37.1	41.6
Investments	0.4	—	—	28.7	43.2
Other non-current assets ⁽³⁾	38.5	26.7	23.3	20.8	18.6
Total non-current assets	341.1	203.0	215.2	284.6	331.1
Total assets	704.1	525.5	530.3	538.4	534.9
<i>Liabilities and equity</i>					
Current portion of long term debt	27.6	—	12.8	12.6	7.7
Trade payables	14.2	19.9	22.7	29.1	29.3
Other current liabilities ⁽⁴⁾	106.9	83.5	92.5	143.2	145.4
Total current liabilities	148.7	103.4	128.0	184.8	182.4
Long term debt	89.1	—	—	13.5	33.7
Other non-current liabilities ⁽⁵⁾	51.2	13.9	13.2	15.1	18.2
Total non-current liabilities	140.3	13.9	13.2	28.6	51.9
Share capital (ordinary shares \$0.16 (10 pence) par value, authorized 60,000,000 shares; issued: 53,312,559, 52,406,304, 51,950,662, 51,347,538 and 50,588,044 shares each as at March 31, 2017, 2016, 2015, 2014 and 2013, respectively)	8.3	8.2	8.1	8.0	7.9
Share premium	338.3	306.9	286.8	276.6	269.3
Other shareholders' equity ⁽⁶⁾	163.2	123.6	94.2	40.3	23.4
Total shareholders' equity, including shares held in treasury	509.8	438.7	389.1	325.0	300.6
Less: 3,300,000 shares as at March 31, 2017, 1,100,000 shares as at March 31, 2016 and Nil shares as at March 31, 2015, 2014, and 2013, held in treasury, at cost	(94.7)	(30.5)	—	—	—
Total shareholders' equity	415.1	408.2	389.1	325.0	300.6
Total liabilities and equity	\$704.1	\$525.5	\$530.3	\$538.4	\$534.9



The following table sets forth for the periods indicated selected consolidated financial data, non-GAAP financial data and operating data:

	For the year ended March 31,				
	2017	2016	2015	2014	2013
	(US dollars in millions, except percentages and employee data)				
Other Consolidated Financial Data:					
Revenue	\$ 602.5	\$ 562.2	\$ 533.9	\$ 502.6	\$ 460.3
Gross profit as a percentage of revenue	33.1%	35.0%	35.8%	34.8%	32.4%
Operating income as a percentage of revenue	7.8%	13.0%	13.2%	9.8%	6.5%
Non-GAAP Financial Data:					
Revenue less repair payments (non-GAAP) ⁽⁷⁾	\$ 578.4	\$ 531.0	\$ 503.0	\$ 471.5	\$ 436.1
Gross profit as a percentage of revenue less repair payments (non-GAAP)	34.4%	37.1%	38.0%	37.1%	34.2%
Operating income as a percentage of revenue less repair payments (non-GAAP)	8.2%	13.7%	14.0%	10.5%	6.9%
Operating Data:					
Number of employees (at year end)	33,968	32,388	28,890	27,020	25,520

Notes:

(1) Includes the following share-based compensation expense amounts:

	For the year ended March 31,				
	2017	2016	2015	2014	2013
	(US dollars in millions)				
Cost of revenue	\$ 2.8	\$ 1.9	\$ 0.8	\$ 1.3	\$ 1.0
Selling and marketing expenses	\$ 1.7	\$ 1.4	\$ 0.8	\$ 0.6	\$ 0.4
General and administrative expenses	\$ 18.5	\$ 14.6	\$ 7.9	\$ 5.0	\$ 3.9

- (2) Consists of funds held for clients, derivative assets and prepayments and other current assets.
- (3) Consists of non-current portion of derivative assets and other non-current assets.
- (4) Consists of provisions and accrued expenses, derivative liabilities, pension and other employee obligations, short term line of credit, deferred revenue, current taxes payable and other liabilities.
- (5) Consists of non-current portion of derivatives liabilities, pension and other employee obligations, deferred revenue, deferred tax liabilities and other non-current liabilities.
- (6) Consists of retained earnings and other components of equity.



- (7) Revenue less repair payments is a non-GAAP financial measure which is calculated as (a) revenue less (b) in our auto claims business, payments to repair centers (1) for “fault” repair cases where we act as the principal in our dealings with the third party repair centers and our clients and (2) for “non-fault” repair cases with respect to one former client (whose contract with us was terminated with effect from April 18, 2012). The following table reconciles our revenue (a GAAP financial measure) to revenue less repair payments (a non-GAAP financial measure) for the indicated periods:

	For the year ended March 31,				
	2017	2016	2015	2014	2013
	(US dollars in millions)				
Revenue (GAAP)	\$602.5	\$562.2	\$533.9	\$502.6	\$460.3
Less: Payments to repair centers ^(a)	24.1	31.2	30.9	31.1	24.1
Revenue less repair payments (non-GAAP)	<u>\$578.4</u>	<u>\$531.0</u>	<u>\$503.0</u>	<u>\$471.5</u>	<u>\$436.1</u>

Note:

- (a) Consists of payments to repair centers in our auto claims business (1) for “fault” repair cases where we act as the principal in our dealings with the third party repair centers and our clients and (2) for “non-fault” repair cases with respect to one former client as discussed below.

We have two reportable segments for financial statement reporting purposes — WNS Global BPM and WNS Auto Claims BPM. In our WNS Auto Claims BPM segment, we provide both “fault” and “non-fault” repairs. For “fault” repairs, we provide claims handling and repair management services, where we arrange for automobile repairs through a network of third party repair centers. Effective July 1, 2015, WNS Legal Assistance LLP, a subsidiary of WNS Assistance Limited, received an approval from the Solicitors Regulatory Authority, UK, to provide legal services in relation to personal injury claims. In our repair management services, where we act as the principal in our dealings with the third party repair centers and our clients, the amounts which we invoice to our clients for payments made by us to third party repair centers are reported as revenue. Where we are not the principal in providing the services, we record revenue from repair services net of repair cost. Since we wholly subcontract the repairs to the repair centers, we evaluate the financial performance of our “fault” repair business based on revenue less repair payments (non-GAAP) to third party repair centers, which is a non-GAAP financial measure. We believe that revenue less repair payments (non-GAAP) for “fault” repairs reflects more accurately the value addition of the business process management services that we directly provide to our clients.

For our “non-fault” repairs business, we generally provide a consolidated suite of accident management services including credit hire and credit repair, and we believe that measurement of such business on a basis that includes repair payments in revenue is appropriate. Revenue including repair payments is therefore used as a primary measure to allocate resources and measure operating performance for accident management services provided in our “non-fault” repairs business. For one former client in our “non-fault” repairs business (whose contract with us was terminated with effect from April 18, 2012), we provided only repair management services where we wholly subcontracted the repairs to the repair centers (similar to our “fault” repairs). Accordingly, we evaluated the financial performance of our business with this former client in a manner similar to how we evaluate our financial performance for our “fault” repairs business, that is, based on revenue less repair payments (non-GAAP). Our “non-fault” repairs business where we provide accident management services, accounts for a relatively small portion of our revenue for our WNS Auto Claims BPM segment.

This non-GAAP financial information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP. We believe that the presentation of this non-GAAP financial measure in this annual report provides useful information for investors regarding the financial performance of our business and our two reportable segments. Our revenue less repair payments (non-GAAP) may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

B. Capitalization and Indebtedness

Not applicable.



C. Reason for the Offer and the Use of Proceeds

Not applicable.

D. Risk Factors

This annual report contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those described in the following risk factors and elsewhere in this annual report. If any of the following risks actually occur, our business, financial condition and results of operations could suffer and the trading price of our ADSs could decline.

Risks Related to Our Business

The global economic and geo-political conditions have been challenging and have had, and may continue to have, an adverse effect on the financial markets and the economy in general, which has had, and may continue to have, a material adverse effect on our business, our financial performance and the prices of our equity shares and ADSs.

Global economic conditions continue to show signs of turbulence. Although some key indicators of sustainable economic growth show signs of improvement, volatility in the domestic politics of major markets may lead to changes in the institutional framework of the international economy.

In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last at least two years after the government of the United Kingdom formally initiated a withdrawal process on March 29, 2017, putting the United Kingdom on track to leave the European Union by April 2019. The referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union-derived laws to replace or replicate in the event of a withdrawal. The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have a material adverse effect on our business, financial condition and results of operations.

39.6% of our revenues and 37.0% of our revenue less repair payments (non-GAAP) for fiscal 2017 and 46.9% of our revenues and 43.8% of our revenue less repair payments (non-GAAP) for fiscal 2016, respectively, are denominated in pound sterling. The extent and duration of any potential decline in the value of the pound sterling to the U.S. dollar and other currencies is unknown at this time. A long-term reduction in the value of the pound sterling as a result of the U.K. referendum could adversely impact our earnings growth rate and profitability. We believe that our hedging program is effective and it substantially protects us against fluctuations in foreign currency exchange rates through a mix of forwards and options for this current fiscal year.

China continues to have room for economic growth, but such growth opportunities remain subject to political developments and uncertainties in the regulatory framework of the economy. In the US, economic growth is tempered by continuing concerns over the failure to achieve a long term solution to the issues of government spending, the increasing US national debt, and their negative impact on the US economy as well as concerns over potential increases in cost of borrowing and reduction in availability of credit as the US Federal Reserve begins raising interest rates. The policies that may be pursued by the presidential administration in the US (such as the border adjustment tax under consideration) have added further uncertainty to the global economy, and the prevailing political climate may lead to more protectionist policies. Globally, countries may require additional financial support, sovereign credit ratings may continue to decline, and there may be default on sovereign debt obligations of certain countries. Any of these may increase the cost of borrowing and cause credit to become more limited. Further, there continue to be signs of economic weakness, such as relatively high levels of unemployment, in major markets including Europe. Continuing conflicts and instability in various regions around the world may lead to additional acts of terrorism, and armed conflict around the world. The ongoing refugee crisis in Europe, North Africa and the Middle East may contribute to political and economic instability in those regions. A resurgence of isolationist and/or protectionist policies in North America, Europe and Asia may curtail global economic growth.

These economic and geo-political conditions may affect our business in a number of ways. The general level of economic activity, such as decreases in business and consumer spending, could result in a decrease in demand for our services, thus reducing our revenue. The cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Continued turbulence or uncertainty in the European, US, Asian and international financial markets and economies may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our customers. If these market conditions continue or worsen, they may limit our ability to access financing or increase our cost of financing to meet liquidity needs, and affect



the ability of our customers to use credit to purchase our services or to make timely payments to us, resulting in adverse effects on our financial condition and results of operations.



Changing economic conditions may have an effect on foreign exchange rates, which in turn may affect our business. For further information, see “— Currency fluctuations among the Indian rupee, the pound sterling, the US dollar, the Australian dollar and the South African rand could have a material adverse effect on our results of operations.”



Uncertainty about current global economic conditions could also continue to increase the volatility of our share price. We cannot predict the timing or duration of an economic slowdown or the timing or strength of a subsequent economic recovery generally or in our targeted industries, including the travel and leisure and insurance industries. If macroeconomic conditions worsen or current global economic conditions continue for a prolonged period of time, we are not able to predict the impact that such worsening conditions will have on our targeted industries in general, and our results of operations specifically.

A few major clients account for a significant portion of our revenue and any loss of business from these clients could reduce our revenue and significantly harm our business.

We have derived and believe that we will continue to derive in the near term a significant portion of our revenue from a limited number of large clients. In fiscal 2017 and 2016, our five largest clients accounted for 32.1% and 30.7% of our revenue and 33.5% and 32.5% of our revenue less repair payments (non-GAAP), respectively. In fiscal 2017 and 2016, our three largest clients accounted for 21.5% and 24.0% of our revenue and 22.4% and 25.4% of our revenue less repair payments (non-GAAP), respectively. In fiscal 2017, our largest client, Aviva Global Services (Management Services) Private Limited (“Aviva MS”), individually accounted for 9.0% and 9.4% of our revenue and revenue less repair payments (non-GAAP), respectively, as compared to 10.9% and 11.6% in fiscal 2016, respectively. Any loss of business from any major client could reduce our revenue and significantly harm our business.

For example, in line with our expectations, one of our top five clients by revenue contribution in fiscal 2014 and 2013, an online travel agency (“OTA”), provided us with lower volume of business in fiscal 2015 as the OTA entered into a strategic marketing agreement with another OTA in August 2013, pursuant to which, it, over a period of time, from the fourth quarter of fiscal 2014 to the fourth quarter of fiscal 2015, moved its customer care and sales processes that were previously managed by us to a technology platform managed by the other OTA. As a result, we lost most of our business from that OTA and since June 2015, we ceased to provide services to that OTA. That OTA accounted for 2.5%, 6.1% and 7.3% of our revenue and 2.6%, 6.5% and 7.7% of our revenue less repair payments (non-GAAP) in fiscal 2015, 2014 and 2013, respectively. The other OTA uses several BPM vendors to manage such processes on their technology platform. We are approved as one of the other OTA’s providers of BPM services. We have managed to compete with incumbent BPM vendors for the other OTA’s business and the other OTA has become one of our large clients.

Revenue from Aviva MS under our master services agreement with Aviva MS (the “Aviva master services agreement”) accounts for a significant portion of our revenue and we expect our dependence on Aviva MS to continue for the foreseeable future. The terms of the Aviva master services agreement include termination at will provisions which permit Aviva MS to terminate the agreement without cause with 180 days’ notice upon payment of a termination fee.

In addition, the volume of work performed for specific clients is likely to vary from year to year, particularly since we may not be the exclusive outside service provider for our clients. Thus, a major client in one year may not provide the same level of revenue in any subsequent year. For example, revenue from Aviva MS has decreased in fiscal 2017 and 2016 from fiscal 2015. Part of this decline in revenue is attributable to revised pricing terms and part is attributable to a reduction of services due to automation performed by Aviva MS on their end. The loss of some or all of the business of any large client could have a material adverse effect on our business, results of operations, financial condition and cash flows. A number of factors other than our performance could cause the loss of or reduction in business or revenue from a client, and these factors are not predictable. For example, a client may demand price reductions, change its outsourcing strategy or move work in-house. A client may also be acquired by a company with a different outsourcing strategy that intends to switch to another business process management service provider or return work in-house.

Our revenue is highly dependent on clients concentrated in a few industries, as well as clients located primarily in Europe and the US. Economic slowdowns or factors that affect these industries or the economic environment in Europe or the US could reduce our revenue and seriously harm our business.

A substantial portion of our clients are concentrated in the insurance industry and the travel and leisure industry. In fiscal 2017 and 2016, 29.6% and 32.4% of our revenue, respectively, and 26.6% and 28.4% of our revenue less repair payments (non-GAAP), respectively, were derived from clients in the insurance industry. During the same periods, clients in the travel and leisure industry contributed 21.3% and 19.6% of our revenue, respectively, and 22.1% and 20.7% of our revenue less repair payments (non-GAAP), respectively. Our business and growth largely depend on continued demand for our services from clients in these industries and other industries that we may target in the future, as well as on trends in these industries to outsource business processes.



Turbulence in the global economy affects both the industries in which our clients are concentrated and the geographies in which we do business. For further details, see “ — The global economic and geo-political conditions have been challenging and have had, and may continue to have, an adverse effect on the financial markets and the economy in general, which has had, and may continue to have, a material adverse effect on our business, our financial performance and the prices of our equity shares and ADSs.” Certain of our targeted industries are especially vulnerable to crises in the financial and credit markets and potential economic downturns. A downturn in any of our targeted industries, particularly the insurance or travel and leisure industries, a slowdown or reversal of the trend to offshore business process outsourcing in any of these industries or the introduction of regulation which restricts or discourages companies from outsourcing could result in a decrease in the demand for our services and adversely affect our results of operations. For example, as a result of the mortgage market crisis, in August 2007, First Magnus Financial Corporation (“FMFC”), a US mortgage services client, filed a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code. FMFC was a major client of Trinity Partners Inc. which we acquired in November 2005 from the First Magnus Group and became one of our major clients. In fiscal 2008 and 2007, FMFC accounted for 1.0% and 4.3% of our revenue, respectively, and 1.4% and 6.8% of our revenue less repair payments (non-GAAP), respectively.

Further, the uncertainty in worldwide economic and business conditions could result in a few of our clients reducing or postponing their outsourced business requirements, which in turn could decrease the demand for our services and adversely affect our results of operations. In particular, our revenue is highly dependent on the economic environments in Europe and the US, which continue to show signs of economic weakness or uncertainty, particularly weaker economic growth and low inflation in the EU and continued uncertainty in the US. In fiscal 2017 and 2016, 47.5% and 53.3% of our revenue, respectively, and 45.3% and 50.6% of our revenue less repair payments (non-GAAP), respectively, were derived from clients located in Europe (including the UK). During the same periods, 32.6% and 27.6% of our revenue, respectively, and 33.9% and 29.3% of our revenue less repair payments (non-GAAP), respectively, were derived from clients located in North America (primarily the US). Any further weakening of or uncertainty in the European or US economy will likely have a further adverse impact on our revenue.

Other developments may also lead to a decline in the demand for our services in these industries. Significant changes in the financial services industry or any of the other industries on which we focus, or a consolidation in any of these industries or acquisitions, particularly involving our clients, may decrease the potential number of buyers of our services and have an adverse impact on our profitability. Any significant reduction in or the elimination of the use of the services we provide within any of these industries would result in reduced revenue and harm our business. Our clients may experience rapid changes in their prospects, substantial price competition and pressure on their profitability. Although such pressures can encourage outsourcing as a cost reduction measure, they may also result in increasing pressure on us from clients in these key industries to lower our prices which could negatively affect our business, results of operations, financial condition and cash flows.



Currency fluctuations among the Indian rupee, the pound sterling, the US dollar, the Australian dollar, the South African rand and the Philippines peso could have a material adverse effect on our results of operations.

Although substantially all of our revenue is denominated in pound sterling, US dollars, and to a lesser extent, Australian dollars and South African rand, a significant portion of our expenses (other than payments to repair centers, which are primarily denominated in pound sterling) are incurred and paid in Indian rupees and, to a lesser extent, in South African rand and Philippines pesos. Therefore, a weakening of the rate of exchange for the pound sterling, the US dollar or the Australian dollar against the Indian rupee or, to a lesser extent, a weakening of the pound sterling against the South African rand or the Philippines pesos would adversely affect our results. Furthermore, we report our financial results in US dollars and our results of operations would be adversely affected if the pound sterling or Australian dollar depreciates against the US dollar, or if the Indian rupee or, to a lesser extent, the South African rand or the Philippines peso appreciates against the US dollar. Although the expected shift in US monetary policy to increase short term interest rates may strengthen the US dollar against a number of currencies, particularly against emerging market currencies, fluctuations between the pound sterling, the Indian rupee, the South African rand, the Australian dollar or the Philippines peso, on the one hand, and the US dollar, on the other hand, also expose us to translation risk when transactions denominated in such currencies are translated to US dollars, our reporting currency. The exchange rates between each of the pound sterling, Indian rupee, South African rand, Australian dollar and Philippines peso, on the one hand, and the US dollar, on the other hand, have changed substantially in recent years and may fluctuate substantially in the future.

The referendum in the United Kingdom regarding withdrawal from the EU has created uncertainty in the British and European economies as the United Kingdom begins to negotiate the terms of its withdrawal, and in the global economy as a whole. See “—The global economic and geo-political conditions have been challenging and have had, and may continue to have, an adverse effect on the financial markets and the economy in general, which has had, and may continue to have, a material adverse effect on our business, our financial performance and the prices of our equity shares and ADSs.” These developments have caused, and may continue to cause, volatility in the exchange rates between the pound sterling and other currencies.

The average pound sterling to US dollar exchange rate was approximately £0.76 per \$1.00 in fiscal 2017, which represented a depreciation of the pound sterling by an average of 13.4% as compared with the average exchange rate of £0.66 per \$1.00 in fiscal 2016, which in turn represented a depreciation of the pound sterling by an average of 6.4% as compared with the average exchange rate of approximately £0.62 per \$1.00 in fiscal 2015.

The average Indian rupee to US dollar exchange rate was approximately ₹67.10 per \$1.00 in fiscal 2017, which represented a depreciation of the Indian rupee by an average of 2.6% as compared with the average exchange rate of approximately ₹65.43 per \$1.00 in fiscal 2016, which in turn represented a depreciation of the Indian rupee by an average of 7.1% as compared with the average exchange rate of approximately ₹61.12 per \$1.00 in fiscal 2015.

The average South African rand exchange rate was approximately R14.07 per \$1.00 in fiscal 2017, which represented a depreciation of the South African rand by an average of 2.3% as compared with the average exchange rate of approximately R13.75 per \$1.00 in fiscal 2016, which in turn represented a depreciation of the South African rand by an average of 24.3% as compared with the average exchange rate of approximately R11.07 per \$1.00 in fiscal 2015.

The average Australian dollar exchange rate was approximately A1.33 per \$1.00 in fiscal 2017, which represented an appreciation of the Australian dollar by an average of 2.1% as compared with the average exchange rate of approximately A1.36 per \$1.00 in fiscal 2016, which in turn represented a depreciation of the Australian dollar by an average of 15.8% as compared with the average exchange rate of approximately A1.14 per \$1.00 in fiscal 2015.

The average Philippines peso exchange rate was approximately PHP 48.18 per \$1.00 in fiscal 2017, which represented a depreciation of the Philippines peso by an average of 4.2% as compared with the average exchange rate of approximately PHP 46.22 per \$1.00 in fiscal 2016, which in turn represented a depreciation of the Philippines peso by an average of 4.3% as compared with the average exchange rate of approximately PHP 44.31 per \$1.00 in fiscal 2015.

Our results of operations would be adversely affected if the Indian rupee appreciates significantly against the pound sterling or the US dollar or if the pound sterling or the Australian dollar depreciates against the US dollar or, to a lesser extent, the South African rand or the Philippines peso appreciates significantly against the US dollar. For example, the depreciation of the South African rand against the US dollar in fiscal 2017 and 2016 and the appreciation of the Australian dollar against the US dollar in fiscal 2017 positively impacted our results of operations in these years, whereas the depreciation of the pound sterling against the US dollar in fiscal 2017 and 2016 and the depreciation of the Australian dollar against the US dollar in fiscal 2016 negatively impacted our results of operations in these years.

We hedge a portion of our foreign currency exposures using options and forward contracts. We cannot assure you that our hedging strategy will be successful or will mitigate our exposure to currency risk.



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The international nature of our business exposes us to several risks, such as significant currency fluctuations and unexpected changes in the regulatory requirements of multiple jurisdictions.

We have operations in China, Costa Rica, India, the Philippines, Poland, Romania, South Africa, Sri Lanka, the UK and the US, and we service clients across Asia, Europe, South Africa, Australia and North America. Our corporate structure also spans multiple jurisdictions, with our parent holding company incorporated in Jersey, Channel Islands, and intermediate and operating subsidiaries (including branch offices) incorporated in Australia, China, Costa Rica, France, India, Mauritius, the Netherlands, the Philippines, Romania, South Africa, Singapore, Sri Lanka, Turkey, the United Arab Emirates, the UK and the US. As a result, we are exposed to risks typically associated with conducting business internationally, many of which are beyond our control. These risks include:

- significant currency fluctuations between the US dollar and the pound sterling (in which our revenue is principally denominated) and the Indian rupee (in which a significant portion of our costs are denominated), for more information, see “ — Currency fluctuations among the Indian rupee, the pound sterling and the US dollar could have a material adverse effect on our results of operations”;
- legal uncertainty owing to the overlap of different legal regimes, and problems in asserting contractual or other rights across international borders;



- potentially adverse tax consequences, such as scrutiny of transfer pricing arrangements by authorities in the countries in which we operate;
- potential tariffs and other trade barriers;
- unexpected changes in legal regimes and regulatory requirements;
- policy changes due to changes in government;
- the burden and expense of complying with the laws and regulations of various jurisdictions; and
- terrorist attacks and other acts of violence or war.

For example, during the fourth quarter of fiscal 2017, proposed changes to the laws of the UK governing personal injury claims generated uncertainty regarding the future earnings trajectory of our legal services business in our WNS Auto Claims BPM segment, as a result of which we expect that we will eventually exit from providing legal services in relation to personal injury claims. We have also experienced a decrease in volume of and loss of business from certain clients of our traditional repair services in our WNS Auto Claims BPM segment. As a result, we expect the future performance of our WNS Auto Claims BPM segment to decline significantly and we have therefore significantly reduced our financial projections and estimates of our WNS Auto Claims BPM segment. We performed an impairment review of the goodwill associated with the companies we had acquired for our auto claims business and recorded an impairment charge of \$21.7 million to our results of operations for fiscal 2017. The occurrence of other changes in legal regimes or regulatory requirements, or any other events associated with the risks of conducting business internationally, could have a material adverse effect on our results of operations and financial condition.

Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements. Failure to adhere to the laws and regulations that govern our business or our clients' businesses that we are required to comply with in performing our services could harm our business.

We have operations in eleven countries and our corporate structure spans multiple jurisdictions. Further, we service clients across multiple geographic regions and multiple industries. We are required to comply with numerous, and sometimes conflicting and uncertain, laws and regulations including on matters relating to import/export controls, trade restrictions, taxation, immigration, internal disclosure and control obligations, securities regulation, anti-competition, data privacy and protection, anti-corruption, and employment and labor relations. In addition, we are required to obtain and maintain permits and licenses for the conduct of our business in various jurisdictions. Our clients' business operations are also subject to numerous regulations in the jurisdiction in which they operate or that are applicable to their industry, and our clients may contractually require that we perform our services in compliance with regulations applicable to them or in a manner that will enable them to comply with such regulations. For example, regulations that our clients' business operations are subject to include the Gramm-Leach-Bliley Act, the Health Insurance Portability and Accountability Act and Health Information Technology for Economic and Clinical Health Act in the US and the Financial Services Act in the UK and upcoming regulations such as the General Data Protection Regulation in the European Union, which will be effective from May 2018. Regulatory changes may result in our exiting certain parts of our business.

On account of the global nature of our and our clients' operations, compliance with diverse legal and regulatory requirements is difficult, time-consuming and requires significant resources. Further, the extent of development of legal systems varies across the countries in which we operate and local laws may not be adequately developed or be able to provide us clear guidance to sufficiently protect our rights. Specifically, in many countries including those in which we operate and/or seek to expand to, the practices of local businesses may not be in accord with international business standards and could violate anti-corruption laws and regulations, including the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977. Our employees, subcontractors, agents, business partners, the companies we acquire and their employees, subcontractors and agents, and other third parties with which we associate, could act in a manner which violates policies or procedures intended to ensure compliance with laws and regulations, including applicable anti-corruption laws or regulations.

Violations of such laws or regulations by us, our employees or any of these third parties could subject us to criminal or civil enforcement actions (whether or not we participated or were aware of the actions leading to the violations), including fines or penalties, breach of contract damages, disgorgement of profits and suspension or disqualification from work, any of which could materially and adversely affect our business, including our results of operations and our reputation. If we are unable to maintain our licenses, permits or other qualifications necessary to provide our services, we may not be able to provide services to existing clients or be able to attract new clients and could lose revenue, which could have a material adverse effect on our business.



We face competition from onshore and offshore business process management companies and from information technology companies that also offer business process management services. Our clients may also choose to run their business processes themselves, either in their home countries or through captive units located offshore.

The market for outsourcing services is very competitive and we expect competition to intensify and increase from a number of sources. We believe that the principal competitive factors in our markets are price, service quality, sales and marketing skills, and industry expertise. We face significant competition from our clients' own in-house groups including, in some cases, in-house departments operating offshore or captive units. Clients who currently outsource a significant proportion of their business processes or information technology services to vendors in India may, for various reasons, including diversifying geographic risk, seek to reduce their dependence on any one country. We also face competition from onshore and offshore business process management and information technology services companies. In addition, the trend toward offshore outsourcing, international expansion by foreign and domestic competitors and continuing technological changes will result in new and different competitors entering our markets.

These competitors may include entrants from the communications, software and data networking industries or entrants in geographic locations with lower costs than those in which we operate. Technological changes include the development of complex automated systems for the processing of transactions that are formerly labor intensive, which may reduce or replace the need for outsourcing such transaction processing.

Some of these existing and future competitors have greater financial, human and other resources, longer operating histories, greater technological expertise, more recognizable brand names and more established relationships in the industries that we currently serve or may serve in the future. In addition, some of our competitors may enter into strategic or commercial relationships among themselves or with larger, more established companies in order to increase their ability to address client needs, or enter into similar arrangements with potential clients. Increased competition, our inability to compete successfully against competitors, pricing pressures or loss of market share could result in reduced operating margins which could harm our business, results of operations, financial condition and cash flows.

Changes in technology could lead to changes in our clients' businesses as well as their requirements for business process services, which may adversely impact our business and results of operations.

Proliferation of accessible technology, such as smartphones and internet, has had an impact on the manner in which customers and businesses interact with each other. Companies are increasingly adopting social media platforms, online self-help portals and mobile applications for communicating with and servicing their customers rather than utilizing business process management companies such as ourselves to manage these interactions. Our clients also continue to invest in technology by upgrading their platforms and application capabilities towards increased automation of transactions. Advances in software, such as robotic process automation and voice recognition, have the potential to reduce dependency on human processing transactions. Such developments and other innovations, such as autonomous vehicles, have the potential to significantly change the way our clients' businesses operate and may reduce their dependency on business process management companies, including our company, for managing their business processes. We are therefore subject to a risk of disintermediation on account of such changes in technology, which could impact our future growth prospects and may require continued investments in our business.

If we cause disruptions to our clients' businesses, provide inadequate service or are in breach of our representations or obligations, our clients may have claims for substantial damages against us. Our insurance coverage may be inadequate to cover these claims and, as a result, our profits may be substantially reduced.

Most of our contracts with clients contain service level and performance requirements, including requirements relating to the quality of our services and the timing and quality of responses to the client's customer inquiries. In some cases, the quality of services that we provide is measured by quality assurance ratings and surveys which are based in part on the results of direct monitoring by our clients of interactions between our employees and our client's customers. Failure to consistently meet service requirements of a client or errors made by our associates in the course of delivering services to our clients could disrupt the client's business and result in a reduction in revenue or a claim for substantial damages against us. For example, some of our agreements stipulate standards of service that, if not met by us, will result in lower payment to us. In addition, in connection with acquiring new business from a client or entering into client contracts, our employees may make various representations, including representations relating to the quality of our services, abilities of our associates and our project management techniques. A failure or inability to meet a contractual requirement or our representations could seriously damage our reputation and affect our ability to attract new business or result in a claim for substantial damages against us.



Our dependence on our offshore delivery centers requires us to maintain active data and voice communications between our main delivery centers in China, Costa Rica, India, the Philippines, Poland, Romania, South Africa, Sri Lanka, Turkey, the UK and the US, our international technology hubs in the UK and the US and our clients' offices. Although we maintain redundant facilities and communications links, disruptions could result from, among other things, technical and electricity breakdowns, computer glitches and viruses and adverse weather conditions. Any significant failure of our equipment or systems, or any major disruption to basic infrastructure like power and telecommunications in the locations in which we operate, could impede our ability to provide services to our clients, have a negative impact on our reputation, cause us to lose clients, reduce our revenue and harm our business.

We depend on human resources to process transactions for our clients. Disruptive incidents, including man-made events such as civil strikes and shutdowns, may impact the ability of our employees to commute to and from our operating premises. Non-natural disasters, whether unintentional (such as those caused by accidents) or intentional (such as those caused by terrorist attacks), may also disrupt our operations. While we have implemented business continuity plans for clients where we have contractually agreed to do so, we may not always be able to provide services to our clients for the duration of such incidents.

Under our contracts with our clients, our liability for breach of our obligations is generally limited to actual damages suffered by the client and capped at a portion of the fees paid or payable to us under the relevant contract. Although our contracts contain limitations on liability, such limitations may be unenforceable or otherwise may not protect us from liability for damages. In addition, certain liabilities, such as claims of third parties for which we may be required to indemnify our clients, are generally not limited under those agreements. Further, although we have professional indemnity insurance coverage, the coverage may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims and our insurers may disclaim coverage as to any future claims. The successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our business, reputation, results of operations, financial condition and cash flows.



Our facilities are at risk of damage by natural disasters.

Our operational facilities and communication hubs may be damaged in natural disasters such as earthquakes, floods, heavy rains, tsunamis and cyclones. For example, Chennai was affected by severe flooding in November 2015. Although our clients experienced minimal disruptions during the Chennai flood due to the business continuity planning and infrastructure resiliency measures that are designed to minimize the impact of natural disasters on our business which we have implemented, such measures may be rendered less effective in other circumstances. Such natural disasters may also lead to disruption to information systems and telephone service for sustained periods. Damage or destruction that interrupts our provision of BPM services could damage our relationships with our clients and may cause us to incur substantial additional expenses to repair or replace damaged equipment or facilities. We may also be liable to our clients for disruption in service resulting from such damage or destruction. While we currently have property damage insurance and business interruption insurance, our insurance coverage may not be sufficient. Furthermore, we may be unable to secure such insurance coverage at premiums acceptable to us in the future or secure such insurance coverage at all. Prolonged disruption of our services as a result of natural disasters would also entitle our clients to terminate their contracts with us.

We are liable to our clients for damages caused by unauthorized disclosure of sensitive or confidential information, whether through a breach or circumvention of our or our clients' computer systems and processes, through our employees or otherwise.

We are typically required to manage, utilize and store sensitive or confidential client data in connection with the services we provide. Under the terms of our client contracts, we are required to keep such information strictly confidential. Our client contracts do not include any limitation on our liability to them with respect to breaches of our obligation to maintain confidentiality on the information we receive from them. Although we seek to implement measures to protect sensitive and confidential client data, there can be no assurance that we would be able to prevent breaches of security. Further, some of our projects require us to conduct business functions and computer operations using our clients' systems over which we do not have control and which may not be compliant with industry security standards. In addition, some of the client designed processes that we are contractually required to follow for delivering services to them and which we are unable to unilaterally change, could be designed in a manner that allows for control weaknesses to exist and be exploited. Any vulnerability in a client's system or client designed process, if exploited, could result in breaches of security or unauthorized transactions and result in a claim for substantial damages against us. If any person, including any of our employees, penetrates our or our clients' network security or otherwise mismanages or misappropriates sensitive or confidential client data, we could be subject to significant liability and lawsuits from our clients or their customers for breaching contractual confidentiality provisions or privacy laws. Although we have insurance coverage for mismanagement or misappropriation of such information by our employees, that coverage may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims against us, and our insurers may disclaim coverage as to any future claims. Penetration of the network security of our or our clients' data centers or computer systems or unauthorized use or disclosure of sensitive or confidential client data, whether through breach of our or our clients' computer systems, systems failure, loss or theft of assets containing confidential information or otherwise, could also have a negative impact on our reputation which would harm our business.

Our business could be materially and adversely affected if we do not protect our intellectual property or if our services are found to infringe on the intellectual property of others.

Our success depends in part on certain methodologies, practices, tools and technical expertise we utilize in designing, developing, implementing and maintaining applications and other proprietary intellectual property rights. In order to protect our rights in such intellectual properties, we rely upon a combination of nondisclosure and other contractual arrangements as well as trade secret, copyright and trademark laws. We also generally enter into confidentiality agreements with our employees, consultants, clients and potential clients, and limit access to and distribution of our proprietary information to the extent required for our business purpose.

India is a member of the Berne Convention, an international intellectual property treaty, and has agreed to recognize protections on intellectual property rights conferred under the laws of other foreign countries, including the laws of the United States. There can be no assurance that the laws, rules, regulations and treaties in effect in the United States, India and the other jurisdictions in which we operate and the contractual and other protective measures we take, are adequate to protect us from misappropriation or unauthorized use of our intellectual property, or that such laws will not change. We may not be able to detect unauthorized use and take appropriate steps to enforce our rights, and any such steps may not be successful. Infringement by others of our intellectual property, including the costs of enforcing our intellectual property rights, may have a material adverse effect on our business, results of operations and financial condition.



Our clients may provide us with access to, and require us to use, third party software in connection with our delivery of services to them. Our client contracts generally require our clients to indemnify us for any infringement of intellectual property rights or licenses to third party software when our clients provide such access to us. If the indemnities under our client contracts are inadequate to cover the damages and losses we suffer due to infringement of third party intellectual property rights or licenses to third party software to which we were given access, our business and results of operations could be adversely affected. We are also generally required, by our client contracts, to indemnify our clients for any breaches of intellectual property rights by our services. Although we believe that we are not infringing on the intellectual property rights of others, claims may nonetheless be successfully asserted against us in the future. The costs of defending any such claims could be significant, and any successful claim may require us to modify, discontinue or rename any of our services. Any such changes may have a material adverse effect on our business, results of operations and financial condition.

Our clients may terminate contracts before completion or choose not to renew contracts which could adversely affect our business and reduce our revenue.

The terms of our client contracts typically range from three to five years. Many of our client contracts can be terminated by our clients with or without cause, with three to six months' notice and, in most cases, without penalty. The termination of a substantial percentage of these contracts could adversely affect our business and reduce our revenue. Contracts that will expire on or before March 31, 2018 (including work orders/statement of works that will expire on or before March 31, 2018) represented approximately 15.9% of our revenue and 16.6% of our revenue less repair payments (non-GAAP) from our clients in fiscal 2017. Failure to meet contractual requirements could result in cancellation or non-renewal of a contract. Some of our contracts may be terminated by the client if certain of our key personnel working on the client project leave our employment and we are unable to find suitable replacements. In addition, a contract termination or significant reduction in work assigned to us by a major client could cause us to experience a higher than expected number of unassigned employees, which would increase our cost of revenue as a percentage of revenue until we are able to reduce or reallocate our headcount. We may not be able to replace any client that elects to terminate or not renew its contract with us, which would adversely affect our business and revenue.

For example, one of our largest auto claims clients by revenue contribution in fiscal 2012 terminated its contract with us with effect from April 18, 2012. This client accounted for 10.4% and 7.5% of our revenue and 1.3% and 1.9% of our revenue less repair payments (non-GAAP) in fiscal 2012 and 2011, respectively.

In addition, one of our top five clients by revenue contribution in fiscal 2014 and 2013, an OTA, provided us with a lower volume of business in fiscal 2015 as the OTA entered into a strategic marketing agreement with another OTA in August 2013 pursuant to which it over a period of time, from the fourth quarter of fiscal 2014 to the fourth quarter of fiscal 2015, moved its customer care and sales processes that were previously managed by us to a technology platform managed by the other OTA. As a result, we lost most of our business from that OTA and since June 2015, we ceased to provide services to that OTA. That OTA accounted for 2.5%, 6.1% and 7.3% of our revenue and 2.6%, 6.5% and 7.7% of our revenue less repair payments (non-GAAP) in fiscal 2015, 2014 and 2013, respectively. The other OTA uses several BPM vendors to manage such processes on their technology platform. We are approved as one of the other OTA's providers of BPM services. We have managed to compete with incumbent BPM vendors for the other OTA's business and the other OTA has become one of our large clients. For more information, see "— A few major clients account for a significant portion of our revenue and any loss of business from these clients could reduce our revenue and significantly harm our business."

Some of our client contracts contain provisions which, if triggered, could result in lower future revenue and have an adverse effect on our business.

In many of our client contracts, we agree to include certain provisions which provide for downward revision of our prices under certain circumstances. For example, certain contracts allow a client in certain limited circumstances to request a benchmark study comparing our pricing and performance with that of an agreed list of other service providers for comparable services. Based on the results of the study and depending on the reasons for any unfavorable variance, we may be required to make improvements in the service we provide or to reduce the pricing for services to be performed under the remaining term of the contract. Some of our contracts also provide that, during the term of the contract and for a certain period thereafter ranging from six to 12 months, we may not provide similar services to certain or any of their competitors using the same personnel. These restrictions may hamper our ability to compete for and provide services to other clients in the same industry, which may result in lower future revenue and profitability.

Some of our contracts specify that if a change in control of our company occurs during the term of the contract, the client has the right to terminate the contract. These provisions may result in our contracts being terminated if there is such a change in control, resulting in a potential loss of revenue. Some of our client contracts also contain provisions that would require us to pay penalties to our clients if we do not meet pre-agreed service level requirements. Failure to meet these requirements could result in the payment of significant penalties by us to our clients which in turn could have an adverse effect on our business, results of operations, financial condition and cash flows.



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Fraud and significant security breaches in our or our clients' computer systems and network infrastructure could adversely impact our business.

Our business is dependent on the secure and reliable operation of our information systems, including those used to operate and manage our business and our clients' information systems, whether operated by our clients themselves or by us in connection with our provision of services to them. Although we take adequate measures to safeguard against system-related and other fraud, there can be no assurance that we would be able to prevent fraud or even detect them on a timely basis, particularly where it relates to our clients' information systems which are not managed by us. For example, we have identified incidences where our employees have allegedly exploited weaknesses in information systems as well as processes in order to misappropriate confidential client data and used such confidential data to record fraudulent transactions. We are generally required to indemnify our clients from third party claims arising out of such fraudulent transactions and our client contracts generally do not include any limitation on our liability to our clients' losses arising from fraudulent activities by our employees. Accordingly, we may have significant liability arising from such fraudulent transactions which may materially affect our business and financial results. Although we have professional indemnity insurance coverage for losses arising from fraudulent activities by our employees, that coverage may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims against us, and our insurers may also disclaim coverage as to any future claims. We may also suffer reputational harm as a result of fraud committed by our employees, or by our perceived inability to properly manage fraud related risks, which could in turn lead to enhanced regulatory oversight and scrutiny.

Our expansion into new markets may create additional challenges with respect to managing the risk of fraud due to the increased geographical dispersion and use of intermediaries. Our business also requires the appropriate and secure utilization of client and other sensitive information. We cannot be certain that advances in criminal capabilities (including cyber-attacks or cyber intrusions over the internet, malware, computer viruses and the like), discovery of new vulnerabilities or attempts to exploit existing vulnerabilities in our or our clients' systems, other data thefts, physical system or network break-ins or inappropriate access, or other developments will not compromise or breach the technology protecting our or our client's computer systems and networks that access and store sensitive information. Cyber threats, such as phishing and trojans, could intrude into our or our client's network to steal data or to seek sensitive information. Any intrusion into our network or our client's network (to the extent attributed to us or perceived to be attributed to us) that results in any breach of security could cause damage to our reputation and adversely impact our business and financial results. Although we have implemented security technology and operational procedures to prevent such occurrences, there can be no assurance that these security measures will be successful. A significant failure in security measures could have a material adverse effect on our business, reputation, results of operations and financial condition.

Our business may not develop in ways that we currently anticipate due to negative public reaction to offshore outsourcing, proposed legislation or otherwise.

We have based our strategy of future growth on certain assumptions regarding our industry, services and future demand in the market for such services. However, the trend to outsource business processes may not continue and could reverse. Offshore outsourcing is a politically sensitive topic in the UK, the US and elsewhere. For example, many organizations and public figures in the UK and the US have publicly expressed concern about a perceived association between offshore outsourcing providers and the loss of jobs in their home countries.

The issue of domestic companies outsourcing services to organizations operating in other countries is a topic of political discussion in the United States, as well as in Europe, Asia Pacific and other regions in which we have clients. Some countries and special interest groups have expressed concerns about a perceived association between offshore outsourcing and the loss of jobs in the domestic economy. This has resulted in increased political and media attention, especially in the United States, where the subject of outsourcing and immigration reform has been a focus of the current presidential administration. It is possible that there could be a change in the existing laws that would restrict offshore outsourcing or impose new standards that have the effect of restricting the use of certain visas in the foreign outsourcing context. The measures that have been enacted to date are generally directed at restricting the ability of government agencies to outsource work to offshore business service providers. These measures have not had a significant effect on our business because governmental agencies are not a focus of our operations. However, some legislative proposals would, for example, require contact centers to disclose their geographic locations, require notice to individuals whose personal information is disclosed to non-US affiliates or subcontractors, require disclosures of companies' foreign outsourcing practices, or restrict US private sector companies that have federal government contracts, federal grants or guaranteed loan programs from outsourcing their services to offshore service providers. Potential changes in tax laws, such as the border adjustment tax under consideration in the US, may also increase the overall costs of outsourcing or affect the balance of offshore and onshore business services. Such legislation could have an adverse impact on the economics of outsourcing for private companies in the US, which could in turn have an adverse impact on our business with US clients.

Such concerns have also led the UK and other EU jurisdictions to enact regulations which allow employees who are dismissed as a result of transfer of services, which may include outsourcing to non-UK or EU companies, to seek compensation either from the



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company from which they were dismissed or from the company to which the work was transferred. This could discourage EU companies from outsourcing work offshore and/or could result in increased operating costs for us.



In addition, there has been publicity about the negative experiences, such as theft and misappropriation of sensitive client data, of various companies that use offshore outsourcing, particularly in India.

Current or prospective clients may elect to perform such services themselves or may be discouraged from transferring these services from onshore to offshore providers to avoid negative perceptions that may be associated with using an offshore provider. Any slowdown or reversal of existing industry trends towards offshore outsourcing would seriously harm our ability to compete effectively with competitors that operate out of facilities located in the UK or the US.

Adverse changes to our relationships with the companies with whom we have an alliance or in the business of the companies with whom we have an alliance could adversely affect our results of operations.

We have alliances with companies whose capabilities complement our own. For example, some of our services and solutions are based on technology, software or platforms provided by these companies. The priorities and objectives of these companies with whom we have an alliance may differ from ours. As most of our alliance relationships are non-exclusive, these companies with whom we have an alliance are not prohibited from competing with us or forming closer or preferred arrangements with our competitors. One or more of these companies with whom we have an alliance may be acquired by a competitor, or may merge with each other, either of which could reduce our access over time to the technology, software or platforms provided by those companies. In addition, these companies with whom we have an alliance could experience reduced demand for their technology, software or platforms, including, for example, in response to changes in technology, which could lessen related demand for our services and solutions. If we do not obtain the expected benefits from our alliance relationships for any reason, we may be less competitive, our ability to offer attractive solutions to our clients may be negatively affected, which could have an adverse effect on our results of operations.

We may face difficulties as we expand our operations to establish delivery centers in onshore locations and offshore in countries in which we have limited or no prior operating experience.

In April 2014 our delivery center in South Carolina in the US became fully operational. We also opened an additional delivery center in Pennsylvania in the US in September 2014. In 2016, we opened an additional delivery center in the Philippines at Iloilo, and in fiscal 2017 we expanded into France, Germany and Turkey. We intend to continue to expand our global footprint in order to maintain an appropriate cost structure and meet our clients' delivery needs. We plan to establish additional offshore delivery centers in the Asia Pacific and Europe, which may involve expanding into countries other than those in which we currently operate. Our expansion plans may also involve expanding into less developed countries, which may have less political, social or economic stability and less developed infrastructure and legal systems. As we expand our business into new countries we may encounter regulatory, personnel, technological and other difficulties that increase our expenses or delay our ability to start up our operations or become profitable in such countries. This may affect our relationships with our clients and could have an adverse effect on our business, results of operations, financial condition and cash flows.

We may be unable to effectively manage our growth and maintain effective internal controls, which could have a material adverse effect on our operations, results of operations and financial condition.

We were founded in April 1996, and we have experienced growth and significantly expanded our operations. For example, over the last seven fiscal years, our employees have increased to 33,968 as at March 31, 2017 from 21,958 as at March 31, 2010. In fiscal 2011, we expanded our delivery center in Romania. In fiscal 2013, we opened new facilities in Poland and Vishakhapatnam, or Vizag. In fiscal 2014, our facilities in China and Sri Lanka became operational. In fiscal 2015, our delivery centers in South Carolina and Pennsylvania, in the US, as well as in South Africa, became fully operational, as did our newest facility in China. In fiscal 2016, we added new facilities in Durban and Port Elizabeth, South Africa and Iloilo, the Philippines. In fiscal 2017, we added new facilities in Durban and Centurion, South Africa. We now have delivery centers across 11 countries in China, Costa Rica, India, the Philippines, Poland, Romania, South Africa, Sri Lanka, Turkey, the UK, and the US. Further, in February 2011, we received in-principle approval for the allotment of a piece of land on lease for a term of 99 years, measuring 5 acres in Tiruchirappalli Navalpattu, special economic zone ("SEZ"), in the state of Tamil Nadu, India from Electronics Corporation of Tamil Nadu Limited ("ELCOT") for setting up delivery centers in the future. We intend to further expand our global delivery capability, and we are exploring plans to do so in Asia Pacific and Europe.

We have also completed numerous acquisitions. For example, in the first quarter of fiscal 2017, we acquired Value Edge Research Services Private Limited and its subsidiaries ("Value Edge"), a provider of commercial research and analytics services to clients in the pharma industry based in India, the United States and Europe. Value Edge had 129 employees as at March 31, 2017. In January 2017, we acquired Denali Sourcing Services, Inc. ("Denali"), a leading provider of strategic procurement BPM solutions based in the United States. With operations in United States, Turkey, China and India, Denali had 269 employees as at March 31, 2017. In March 2017, we acquired MTS HealthHelp Inc. and its subsidiaries ("HealthHelp"), an industry leader in care management based in the United States. HealthHelp had 406 employees as at March 31, 2017. For more information about more recent acquisitions, see "—We may not



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succeed in identifying suitable acquisition targets or integrating any acquired business into our operations, which could have a material adverse effect on our business, results of operations, financial conditions and cash flows.”



This growth places significant demands on our management and operational resources. In order to manage growth effectively, we must implement and improve operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, we may not be able to service our clients' needs, hire and retain new employees, pursue new business, complete future acquisitions or operate our business effectively. Failure to effectively transfer new client business to our delivery centers, properly budget transfer costs or accurately estimate operational costs associated with new contracts could result in delays in executing client contracts, trigger service level penalties or cause our profit margins not to meet our expectations or our historical profit margins. As a result of any of these potential problems associated with expansion, our business, results of operations, financial condition and cash flows could be materially and adversely affected.

Our executive and senior management team and other key team members in our business units are critical to our continued success and the loss of such personnel could harm our business.

Our future success substantially depends on the performance of the members of our executive and senior management team and other key team members in each of our business units. These personnel possess technical and business capabilities including domain expertise that are difficult to replace. There is intense competition for experienced senior management and personnel with technical and industry expertise in the business process management industry, and we may not be able to retain our key personnel due to various reasons, including the compensation philosophy followed by our company as described in "Part I — Item 6. Directors, Senior Management and Employees — Compensation." Although we have entered into employment contracts with our executive officers, certain terms of those agreements may not be enforceable and in any event these agreements do not ensure the continued service of these executive officers. In the event of a loss of any key personnel, there is no assurance that we will be able to find suitable replacements for our key personnel within a reasonable time. The loss of key members of our senior management or other key team members, particularly to competitors, could have a material adverse effect on our business, results of operations, financial condition and cash flows. A loss of several members of our senior management at the same time or within a short period may lead to a disruption in the business of our company, which could materially adversely affect our performance.

We may fail to attract and retain enough sufficiently trained employees to support our operations, as competition for highly skilled personnel is significant and we experience significant employee attrition. These factors could have a material adverse effect on our business, results of operations, financial condition and cash flows.

The business process management industry relies on large numbers of skilled employees, and our success depends to a significant extent on our ability to attract, hire, train and retain qualified employees. The business process management industry, including our company, experiences high employee attrition. During each of fiscal 2017, 2016 and 2015, the attrition rate for our employees who have completed six months of employment with us was 34%. We cannot assure you that our attrition rate will not continue to increase in the future. There is significant competition in the jurisdictions where our operation centers are located, including India, the Philippines, Romania, South Africa and Sri Lanka, for professionals with the skills necessary to perform the services we offer to our clients. Increased competition for these professionals, in the business process management industry or otherwise, could have an adverse effect on us. A significant increase in the attrition rate among employees with specialized skills could decrease our operating efficiency and productivity and could lead to a decline in demand for our services.

In addition, our ability to maintain and renew existing engagements and obtain new business will depend largely on our ability to attract, train and retain personnel with skills that enable us to keep pace with growing demands for outsourcing, evolving industry standards and changing client preferences. Our failure either to attract, train and retain personnel with the qualifications necessary to fulfill the needs of our existing and future clients or to assimilate new employees successfully could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Employee strikes and other labor-related disruptions may adversely affect our operations.

Our business depends on a large number of employees executing client operations. Strikes or labor disputes with our employees at our delivery centers may adversely affect our ability to conduct business. Our employees are not unionized, although they may in the future form unions. We cannot assure you that there will not be any strike, lock out or material labor dispute in the future. Work interruptions or stoppages could have a material adverse effect on our business, results of operations, financial condition and cash flows.



Our loan agreements impose operating and financial restrictions on us and our subsidiaries.

We have incurred a substantial amount of indebtedness in connection with recent acquisitions. As at March 31, 2017, we had total indebtedness of \$118.0 million in secured bank loans. See “—Part I—Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources.” Our loan agreements contain a number of covenants and other provisions that, among other things, may impose operating and financial restrictions on us and our subsidiaries. These restrictions could put a strain on our financial position. For example:

- they may increase our vulnerability to general adverse economic and industry conditions;
- they may require us to dedicate a substantial portion of our cash flow from operations to payments on our loans, thereby reducing the availability of our cash flow to fund capital expenditure, working capital and other general corporate purposes;
- they may require us to seek lenders’ consent prior to paying dividends on our ordinary shares;
- they may limit our ability to incur additional borrowings or raise additional financing through equity or debt instruments; and
- they may impose certain financial covenants on us that we may not be able to meet, which may cause the lenders to accelerate the repayment of the balance loan outstanding.

Further, the restrictions that may be contained in our loan agreements may limit our ability to plan for or react to market conditions, meet capital needs or make acquisitions or otherwise restrict our activities or business plans. Our ability to comply with the covenants of our loan agreements may be affected by events beyond our control, and any material deviations from our forecasts could require us to seek waivers or amendments of covenants or alternative sources of financing or to reduce expenditures. We cannot assure you that such waivers, amendments or alternative financing could be obtained, or if obtained, would be on terms acceptable to us.

To fund our capital expenditures, service our indebtedness and fund other potential liquidity requirements, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control and we may need to access the credit market to meet our liquidity requirements.

Our ability to fund planned capital expenditures and to make payments on our outstanding loans will depend on our ability to generate cash in the future. This, to a large extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Furthermore, given that the uncertainty over global economic conditions remains, there can be no assurance that our business activity will be maintained at our expected level to generate the anticipated cash flows from operations or that our credit facilities would be available or sufficient. If global economic uncertainties continue, we may experience a decrease in demand for our services, resulting in our cash flows from operations being lower than anticipated. This may in turn result in our need to obtain financing.

If we cannot fund our capital expenditures, service our indebtedness or fund our other potential liquidity requirements, we may have to take actions such as seeking additional equity or reducing or delaying capital expenditures, strategic acquisitions and investments. We cannot assure you that any such actions, if necessary, could be effected on commercially reasonable terms or at all.



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If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent or detect fraud. As a result, current and potential investors could lose confidence in our financial reporting, which could harm our business and have an adverse effect on our ADS price.

Effective internal control over financial reporting is necessary for us to provide reliable financial reports. The effective internal controls together with adequate disclosure controls and procedures are designed to prevent or detect fraud. Deficiencies in our internal controls may adversely affect our management’s ability to record, process, summarize, and report financial data on a timely basis. As a public company, we are required by Section 404 of the Sarbanes-Oxley Act of 2002 to include a report of management’s assessment on our internal control over financial reporting and an auditor’s attestation report on our internal control over financial reporting in our annual reports on Form 20-F.

If material weaknesses are identified in our internal controls over financial reporting, we could be required to implement remedial measures. If we fail to maintain effective disclosure controls and procedures or internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which could have a material adverse effect on our ADS price.

Wage increases may prevent us from sustaining our competitive advantage and may reduce our profit margin.

Salaries and related benefits of our operations staff and other employees in countries where we have delivery centers, in particular India, are among our most significant costs. Wage costs in India have historically been significantly lower than wage costs in the US and Europe for comparably skilled professionals, which has been one of our competitive advantages. However, rapid economic growth in India, increased demand for business process management outsourcing to India, increased competition for skilled employees in India, and regulatory developments resulting in wage increases in India may reduce this competitive advantage. For example, in December 2015, the Government of India amended the Payment of Bonus Act, 1965, which mandated increased employee bonus amounts for certain wage categories, effective retroactively from April 1, 2014. As a result, our wage costs in India have increased. In addition, if the US dollar or the pound sterling declines in value against the Indian rupee, wages in the US or the UK will further decrease relative to wages in India, which may further reduce our competitive advantage. We may need to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting the quantity and quality of employees that our business requires. Wage increases may reduce our profit margins and have a material adverse effect on our financial condition and cash flows.

Further, following the establishment of our delivery centers in the US in 2014, our operations in the US have expanded and our wage costs for employees located in the UK and the US now represent a larger proportion of our total wage costs. Wage increases in the UK and the US may therefore also reduce our profit margins and have a material adverse effect on our financial condition and cash flows.

Our operating results may differ from period to period, which may make it difficult for us to prepare accurate internal financial forecasts and respond in a timely manner to offset such period to period fluctuations.

Our operating results may differ significantly from period to period due to factors such as client losses, variations in the volume of business from clients resulting from changes in our clients’ operations, the business decisions of our clients regarding the use of our services, delays or difficulties in expanding our operational facilities and infrastructure, changes to our pricing structure or that of our competitors, inaccurate estimates of resources and time required to complete ongoing projects, currency fluctuations and seasonal changes in the operations of our clients. For example, our clients in the travel and leisure industry experience seasonal changes in their operations in connection with the US summer holiday season, as well as episodic factors such as adverse weather conditions. Transaction volumes can be impacted by market conditions affecting the travel and insurance industries, including natural disasters, outbreak of infectious diseases or other serious public health concerns in Asia or elsewhere (such as the outbreak of the Influenza A (H7N9) virus in various parts of the world) and terrorist attacks. In addition, our contracts do not generally commit our clients to provide us with a specific volume of business.



In addition, the long sales cycle for our services, which typically ranges from three to 12 months, and the internal budget and approval processes of our prospective clients make it difficult to predict the timing of new client engagements. Commencement of work and ramping up of volume of work with certain new and existing clients have in the past been slower than we had expected and may in the future be slower than we expect. Revenue is recognized upon actual provision of services and when the criteria for recognition are achieved. Accordingly, the financial benefit of gaining a new client may be delayed due to delays in the implementation of our services. These factors may make it difficult for us to prepare accurate internal financial forecasts or replace anticipated revenue that we do not receive as a result of those delays. Due to the above factors, it is possible that in some future quarters our operating results may be significantly below the expectations of the public market, analysts and investors.

If our pricing structures do not accurately anticipate the cost and complexity of performing our work, our profitability may be negatively affected.

The terms of our client contracts typically range from three to five years. In many of our contracts, we commit to long-term pricing with our clients, and we negotiate pricing terms with our clients utilizing a range of pricing structures and conditions. Depending on the particular contract, these include input-based pricing (such as full-time equivalent-based pricing arrangements), fixed-price arrangements, output-based pricing (such as transaction-based pricing), outcome-based pricing, and contracts with features of all these pricing models. Our pricing is highly dependent on our internal forecasts and predictions about our projects and the marketplace, which are largely based on limited data and could turn out to be inaccurate. If we do not accurately estimate the costs and timing for completing projects, our contracts could prove unprofitable for us or yield lower profit margins than anticipated. Some of our client contracts do not allow us to terminate the contracts except in the case of non-payment by our client. If any contract turns out to be economically non-viable for us, we may still be liable to continue to provide services under the contract.

We intend to focus on increasing our service offerings that are based on non-linear pricing models (such as fixed-price and outcome-based pricing models) that allow us to price our services based on the value we deliver to our clients rather than the headcount deployed to deliver the services to them. Non-linear revenues may be subject to short term pressure on margins as initiatives in developing the products and services take time to deliver. The risk of entering into non-linear pricing arrangements is that if we fail to properly estimate the appropriate pricing for a project, we may incur lower profits or losses as a result of being unable to execute projects with the amount of labor we expected or at a margin sufficient to recover our initial investments in our solutions. While non-linear pricing models are expected to result in higher revenue productivity per employee and improved margins, they also mean that we continue to bear the risk of cost overruns, wage inflation, fluctuations in currency exchange rates and failure to achieve clients' business objectives in connection with these projects.

Our profit margin, and therefore our profitability, is largely a function of our asset utilization and the rates we are able to recover for our services. An important component of our asset utilization is our seat utilization rate, which is the average number of work shifts per day, out of a maximum of three, for which we are able to utilize our work stations, or seats. During fiscal 2017, 2016 and 2015, we incurred significant expenditures to increase our number of seats by establishing additional delivery centers or expanding production capacities in our existing delivery centers. During fiscal 2015, we incurred costs to move our operations from one site in Gurgaon to another. If we are not able to maintain the pricing for our services or an appropriate seat utilization rate, without corresponding cost reductions, our profitability will suffer. The rates we are able to recover for our services are affected by a number of factors, including our clients' perceptions of our ability to add value through our services, competition, introduction of new services or products by us or our competitors, our ability to accurately estimate, attain and sustain revenue from client contracts, margins and cash flows over increasingly longer contract periods and general economic and political conditions.

Our profitability is also a function of our ability to control our costs and improve our efficiency. As we increase the number of our employees and execute our strategies for growth, we may not be able to manage the significantly larger and more geographically diverse workforce that may result, which could adversely affect our ability to control our costs or improve our efficiency. Further, because there is no certainty that our business will ramp up at the rate that we anticipate, we may incur expenses for the increased capacity for a significant period of time without a corresponding growth in our revenue. Commencement of work and ramping up of volume of work with certain new and existing clients have in the past been slower than we had expected and may in the future be slower than we expect. If our revenue does not grow at our expected rate, we may not be able to maintain or improve our profitability.



We have in the past and may in the future enter into subcontracting arrangements for the delivery of services. For example, in China, in addition to delivering services from our own delivery center, we used to deliver services through a subcontractor's delivery center. We could face greater risk when pricing our outsourcing contracts, as our outsourcing projects typically entail the coordination of operations and workforces with our subcontractor, and utilizing workforces with different skill sets and competencies. Furthermore, when outsourcing work we assume responsibility for our subcontractors' performance. Our pricing, cost and profit margin estimates on outsourced work may include anticipated long-term cost savings from transformational and other initiatives that we expect to achieve and sustain over the life of the outsourcing contract. There is a risk that we will underprice our contracts, fail to accurately estimate the costs of performing the work or fail to accurately assess the risks associated with potential contracts. In particular, any increased or unexpected costs, delays or failures to achieve anticipated cost savings, or unexpected risks we encounter in connection with the performance of this work, including those caused by factors outside our control, could make these contracts less profitable or unprofitable, which could have an adverse effect on our profit margin.

We have incurred losses in the past. We may not be profitable in the future.

We incurred losses in each of the three fiscal years from fiscal 2003 through fiscal 2005. We expect our selling and marketing expenses, general and administrative expenses and finance expense to increase in future periods. If our revenue does not grow at a faster rate than these expected increases in our expenses, or if our operating expenses are higher than we anticipate, we may not be profitable and we may incur losses.

We may not succeed in identifying suitable acquisition targets or integrating any acquired business into our operations, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Our growth strategy involves gaining new clients and expanding our service offerings, both organically and through strategic acquisitions. It is possible that in the future we may not succeed in identifying suitable acquisition targets available for sale or investments on reasonable terms, have access to the capital required to finance potential acquisitions or investments, or be able to consummate any acquisition or investments. Future acquisitions or joint ventures may also result in the incurrence of indebtedness or the issuance of additional equity securities, which may present difficulties in financing the acquisition or joint venture on attractive terms. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions may affect our competitiveness and our growth prospects.

Historically, we have expanded some of our service offerings and gained new clients through strategic acquisitions. For example, in November 2011, we acquired the shareholding of Advanced Contact Solutions, Inc. ("ACS"), our former joint venture partner in WNS Philippines Inc. and increased our share ownership from 65% to 100%. The lack of profitability of any of our acquisitions or joint ventures could have a material adverse effect on our operating results.

In addition, our management may not be able to successfully integrate any acquired business into our operations or benefit from any joint ventures that we enter into, and any acquisition we do complete or any joint venture we do enter into may not result in long-term benefits to us. For instance, if we acquire a company, we could experience difficulties in assimilating that company's personnel, operations, technology and software, or the key personnel of the acquired company may decide not to work for us. For example, in June 2016, we acquired Value Edge, a provider of commercial research and analytics services to clients in the pharma industry. In January 2017, we acquired Denali, a leading provider of strategic procurement BPM solutions in the high tech, retail and CPG, banking and financial services, utilities and healthcare verticals. In March 2017, we acquired HealthHelp, an industry leader in care management whose solutions are delivered by combining a proprietary technology platform rooted in evidence-based medical research, high-end predictive analytics, and deep healthcare industry expertise. While Value Edge contributed a \$0.2 million profit to our results of operations for fiscal 2017, HealthHelp and Denali contributed a \$0.3 million loss and a \$0.2 million loss, respectively, to our results of operations for fiscal 2017. There is no assurance that these acquisitions will be profitable for us. We also cannot assure you that we will be able to successfully integrate the business operations of Value Edge, Denali or HealthHelp with ours, or that we will be able to successfully leverage the assets of Value Edge, Denali or HealthHelp to grow our revenue, expand our service offerings and market share or achieve accretive benefits from these acquisitions. Further, we face the risk that the legal regime or regulatory requirements imposed on any business that we acquire may change following our acquisition and such changes may adversely affect our ability to achieve the expected accretive benefits from the acquisition, which could in turn require us to recognize an impairment of goodwill associated with the acquired business. See "—The international nature of our business exposes us to several risks, such as significant currency fluctuations and unexpected changes in the regulatory requirements of multiple jurisdictions."

We also face risks arising from acquisitions of businesses reliant upon a small number of key clients. The value of such acquisitions may decline in the event that their key clients decide not to renew their contracts, or decrease their volume of business or the prices paid for services. For example, HealthHelp is reliant on one client. A decline in the volume of business from this client or in the pricing of our services to this client would likely adversely affect our ability to achieve the expected accretive benefits from our acquisition of HealthHelp.



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Further, we may receive claims or demands by the sellers of the entities acquired by us on the indemnities that we have provided to them for losses or damages arising from any breach of contract by us. Conversely, while we may be able to claim against the sellers on their indemnities to us for breach of contract or breach of the representations and warranties given by the sellers in respect of the entities acquired by us, there can be no assurance that our claims will succeed, or if they do, that we will be able to successfully enforce our claims against the sellers at a reasonable cost. Acquisitions and joint ventures also typically involve a number of other risks, including diversion of management's attention, legal liabilities and the need to amortize acquired intangible assets, any of which could have a material adverse effect on our business, results of operations, financial condition and cash flows.



We recorded a significant impairment charge to our earnings in fiscal 2017 and may be required to record another significant charge to earnings in the future when we review our goodwill, intangible or other assets for potential impairment.

As at March 31, 2017, we had goodwill and intangible assets of approximately \$230.6 million, which primarily resulted from our acquisitions of HealthHelp, Denali and Value Edge. Under IFRS, we are required to review our goodwill, intangibles or other assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. In addition, goodwill, intangible or other assets with indefinite lives are required to be tested for impairment at least annually. For example, during the fourth quarter of fiscal 2017, proposed changes to the laws of the UK governing personal injury claims generated uncertainty regarding the future earnings trajectory of our legal services business in our WNS Auto Claims BPM segment, as a result of which we expect that we will eventually exit from providing legal services in relation to personal injury claims. We have also experienced a decrease in volume of and loss of business from certain clients of our traditional repair services in our WNS Auto Claims BPM segment. As a result, we expect the future performance of our WNS Auto Claims BPM segment to decline significantly and we have therefore significantly reduced our financial projections and estimates of our WNS Auto Claims BPM segment. We performed an impairment review of the goodwill associated with the companies we had acquired for our auto claims business and recorded an impairment charge of \$21.7 million to our results of operations for fiscal 2017. See also “—The international nature of our business exposes us to several risks, such as significant currency fluctuations and unexpected changes in the regulatory requirements of multiple jurisdictions.” We may be required to record further impairment charges to our goodwill and intangible assets associated with other acquisitions in the future. For example, of the total \$230.6 million in goodwill and intangible assets we had as at March 31, 2017, \$103.6 million pertains to our acquisition of HealthHelp in fiscal 2017. This goodwill and intangible assets associated with our acquisition of HealthHelp is primarily attributable to HealthHelp’s expected business from one client. Pricing of services to this client will be due for renegotiation in fiscal 2019. There is no assurance that the pricing terms will be renewed on terms acceptable to us. If there is a significant decline in the prices charged for services to this client or a decrease in the volume of business from this client, we may be required to review our goodwill and intangible assets for impairment and record a further impairment charge. Further, if, for example, the research and analytics industry experiences a significant decline in business and we determine that we will not be able to achieve the cash flows that we had expected from our acquisitions of Marketics Technologies (India) Private Limited (“Marketics”) and Value Edge, we may have to record an impairment of all or a portion of the goodwill or intangible assets relating to those acquisitions. Any further impairment to our goodwill or intangible assets may have a significant adverse impact on our results of operations.

We are incorporated in Jersey, Channel Islands and are subject to Jersey rules and regulations. If the tax benefits enjoyed by our company are withdrawn or changed, we may be liable for higher tax, thereby reducing our profitability.

As a company incorporated in Jersey, Channel Islands, we are currently subject to no Jersey income tax. Although we continue to enjoy the benefits of the Jersey business tax regime, if Jersey tax laws change or the tax benefits we enjoy are otherwise withdrawn or changed, we may become liable for higher tax, thereby reducing our profitability.



Risks Related to Key Delivery Locations

A substantial portion of our assets and operations are located in India and we are subject to regulatory, economic, social and political uncertainties in India.

Our primary operating subsidiary, WNS Global Services Private Limited (“WNS Global”), is incorporated in India, and a substantial portion of our assets and employees are located in India. The Government of India, however, has exercised and continues to exercise significant influence over many aspects of the Indian economy. The Government of India has provided significant tax incentives and relaxed certain regulatory restrictions in order to encourage foreign investment in specified sectors of the economy, including the business process management industry. Those programs that have benefited us include tax holidays, liberalized import and export duties and preferential rules on foreign investment and repatriation. We cannot assure you that such liberalization policies will continue. The Government of India may also enact new tax legislation or amend the existing legislation that could impact the way we are taxed in the future. For more information, see “—New tax legislation and the results of actions by taxing authorities may have an adverse effect on our operations and our overall tax rate.” Other legislation passed by the Government of India may also impact our business. For example, in December 2015, the Government of India amended the Payment of Bonus Act, 1965, which mandated increased employee bonus amounts for certain wage categories, effective retroactively from April 1, 2014. As a result, our wage costs in India have increased. Our financial performance and the market price of our ADSs may be adversely affected by changes in inflation, exchange rates and controls, interest rates, Government of India policies (including taxation regulations and policies), social stability or other political, economic or diplomatic developments affecting India in the future.

India has witnessed communal clashes in the past. Although such clashes in India have, in the recent past, been sporadic and have been contained within reasonably short periods of time, any such civil disturbance in the future could result in disruptions in transportation or communication networks, as well as have adverse implications for general economic conditions in India. Such events could have a material adverse effect on our business, the value of our ADSs and your investment in our ADSs.

The results of the United Kingdom’s referendum on withdrawal from the European Union may have a negative effect on our operations in the United Kingdom and European Union.

We have operations in the United Kingdom, Romania and Poland. In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last at least two years after the government of the United Kingdom formally initiated a withdrawal process on March 29, 2017. The referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union-derived laws to replace or replicate in the event of a withdrawal. The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. Any of these events may have an adverse effect on our operations in the United Kingdom and the European Union, the value of our ADSs and your investment in our ADSs.

Our business in South Africa is evaluated for compliance with the South African government’s Broad-Based Black Economic Empowerment (“BBBEE”) legislation. Failure to maintain a minimum BBBEE rating would result in a loss of certain government grants, and may also result in us losing certain business opportunities or clients imposing contractual penalties on us.

Our business in South Africa is evaluated for compliance with the South African government’s BBBEE legislation against a BBBEE scorecard, based on various criteria. South African government grants are available to businesses that meet specified conditions, including achieving a specified minimum BBBEE rating. Additionally, many South African companies require their service providers to maintain a minimum BBBEE rating, and many of our South African client contracts contain clauses that allow our clients to terminate their contracts with us or impose specified penalties on us if we do not maintain a minimum BBBEE rating.

New BBBEE criteria became effective for us from March 2017, according to which an entity receives a new compliance rating from the BBBEE rating agency. Under these new criteria, our rating based on our previous structure and practices would have dropped and we would have been required contractually to improve our rating. We developed a plan to achieve or improve our current rating by the BBBEE verification audit for period ended March 31, 2017 in May 2017. This plan included, among other measures, divesting some of our interests in our South Africa subsidiary to address the criterion relating to the percentage of ownership of an entity by “black people” (as defined under the applicable legislation). We achieved the required rating in our BBBEE verification audit in May 2017 on the basis of the steps taken to comply with the new BBBEE criteria which is valid until May 2018. However, there is no assurance that we will successfully maintain our existing BBBEE rating under the new criteria in our next annual BBBEE verification audit by the BBBEE rating agency, or at all. If we fail to achieve the required minimum BBBEE rating, we will cease to be eligible for government grants, will be disqualified from bidding for certain business, and our clients may terminate their contracts with us or impose penalties on us. These outcomes would have an adverse effect on our business, results of operations, financial condition and cash flows.



If the tax benefits and other incentives that we currently enjoy are reduced or withdrawn or not available for any other reason, our financial condition would be negatively affected.

We have benefitted from, and continue to benefit from, certain tax holidays and exemptions in various jurisdictions in which we have operations.

In fiscal 2017, 2016 and 2015, our tax rate in India, the Philippines and Sri Lanka impacted our effective tax rate. We would have incurred approximately \$5.2 million, \$5.0 million and \$3.0 million in additional income tax expense on our combined operations in our SEZ operations in India, the Philippines and Sri Lanka for fiscal 2017, 2016 and 2015 respectively, if the tax holidays and exemptions as described below had not been available for the respective periods.

We expect our tax rate in India, the Philippines and Sri Lanka to continue to impact our effective tax rate. Our effective tax rate in India may be impacted by the reduction in the tax exemption enjoyed by operating units under the SEZ scheme.

For example, in the past, the majority of our Indian operations were eligible to claim income tax exemption with respect to profits earned from export revenue from operating units registered under the Software Technology Parks of India (“STPI”). The benefit was available for a period of 10 years from the date of commencement of operations, but not beyond March 31, 2011. Effective April 1, 2011, upon the expiration of this tax exemption, income derived from our STPI operations in India became subject to the prevailing annual tax rate, which is currently, and was in fiscal 2017 and 2016, 34.61%, and was 33.99% in fiscal 2015. See “Part I – Item 4. Information on the Company – B. Business Overview – Regulations.”

When any of our tax holidays or exemptions expire or terminate, or if the applicable government withdraws or reduces the benefits of a tax holiday or exemption that we enjoy, our tax expense may materially increase and this increase may have a material impact on our results of operations. The applicable tax authorities may also disallow deductions claimed by us and assess additional taxable income on us in connection with their review of our tax returns.



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New tax legislation and the results of actions by taxing authorities may have an adverse effect on our operations and our overall tax rate.

The Government of India may enact new tax legislation that could impact the way we are taxed in the future. For example, the Government of India has clarified that, with retrospective effect from April 1, 1962, any income accruing or arising directly or indirectly through the transfer of capital assets situated in India will be taxable in India. If any of our transactions are deemed to involve the direct or indirect transfer of a capital asset located in India, such transactions could be investigated by the Indian tax authorities, which could lead to the issuance of tax assessment orders and a material increase in our tax liability. For example, we received requests for information from, and are in discussions with, the relevant income tax authority in India relating to our acquisition in July 2008 from Aviva of all the shares of Aviva Global, which owned subsidiaries with assets in India and Sri Lanka. The Government of India has issued guidelines on General Anti Avoidance Rule (the “GAAR”), which came into effect on April 1, 2017, and which is intended to curb sophisticated tax avoidance. Under the GAAR, a business arrangement will be deemed an “impermissible avoidance arrangement” if the main purpose of the arrangement is to obtain tax benefits. Although the full implications of the GAAR are presently still unclear, if we are deemed to have violated any of its provisions, we may face an increase to our tax liability. However, we do not expect any adverse impact on account of the GAAR.

The Government of India, the US or other jurisdictions where we have a presence could enact new tax legislation which would have a material adverse effect on our business, results of operations and financial condition. In addition, our ability to repatriate surplus earnings from our delivery centers in a tax-efficient manner is dependent upon interpretations of local laws, possible changes in such laws and the renegotiation of existing double tax avoidance treaties. Changes to any of these may adversely affect our overall tax rate, or the cost of our services to our clients, which would have a material adverse effect on our business, results of operations and financial condition.

We are subject to transfer pricing and other tax related regulations and any determination that we have failed to comply with them could materially adversely affect our profitability.

Transfer pricing regulations to which we are subject require that any international transaction among our company and its subsidiaries, or the WNS group enterprises, be on arm’s-length terms. We believe that the international transactions among the WNS group enterprises are on arm’s-length terms. If, however, the applicable tax authorities determine that the transactions among the WNS group enterprises do not meet arm’s-length criteria, we may incur increased tax liability, including accrued interest and penalties. This would cause our tax expense to increase, possibly materially, thereby reducing our profitability and cash flows. We have signed an advance pricing agreement with the Government of India providing for the agreement on transfer pricing matters over certain transactions covered thereunder for a period of five years starting from April 2013.



We may be required to pay additional taxes in connection with audits by the tax authorities.

From time to time, we receive orders of assessment from Indian tax authorities assessing additional taxable income on us and/or our subsidiaries in connection with their review of our tax returns. We currently have orders of assessment for fiscal 2004 through fiscal 2013 pending before various appellate authorities. These orders assess additional taxable income that could in the aggregate give rise to an estimated ₹2,394.3 million (\$36.9 million based on the exchange rate on March 31, 2017) in additional taxes, including interest of ₹891.3 million (\$13.7 million based on the exchange rate on March 31, 2017).

These orders of assessment allege that the transfer prices we applied to certain of the international transactions between WNS Global or WNS Business Consulting Services Private Limited (“WNS BCS”), each of which is one of our Indian subsidiaries, as the case may be, and our other wholly-owned subsidiaries were not on arm’s-length terms, disallow a tax holiday benefit claimed by us, deny the set-off of brought forward business losses and unabsorbed depreciation and disallow certain expenses claimed as tax deductible by WNS Global or WNS BCS, as the case may be. As at March 31, 2017 we have provided a tax reserve of ₹806.2 million (\$12.4 million based on the exchange rate on March 31, 2017) primarily on account of the Indian tax authorities’ denying the set off of brought forward business losses and unabsorbed depreciation. We have appealed against these orders of assessment before higher appellate authorities. For more details on these assessments, see “Part I — Item 5 – Operating and Financial Review and Prospects—Tax Assessment Orders.”

In addition, we currently have orders of assessment pertaining to similar issues that have been decided in our favor by first level appellate authorities, vacating tax demands of ₹2,890.6 million (\$44.6 million based on the exchange rate on March 31, 2017) in additional taxes, including interest of ₹891.1 million (\$13.7 million based on the exchange rate on March 31, 2017). The income tax authorities have filed appeals against these orders at higher appellate authorities.

In case of disputes, the Indian tax authorities may require us to deposit with them all or a portion of the disputed amounts pending resolution of the matters on appeal. Any amount paid by us as deposits will be refunded to us with interest if we succeed in our appeals. We have deposited a portion of the disputed amount with the tax authorities and may be required to deposit the remaining portion of the disputed amount with the tax authorities pending final resolution of the respective matters.

As at March 31, 2017, corporate tax returns for fiscal years 2014 (for certain legal entities) and thereafter remain subject to examination by tax authorities in India.

After consultation with our Indian tax advisors and based on the facts of these cases, certain legal opinions from counsel, the nature of the tax authorities’ disallowances and the orders from first level appellate authorities deciding similar issues in our favor in respect of assessment orders for earlier fiscal years, we believe these orders are unlikely to be sustained at the higher appellate authorities and we intend to vigorously dispute the orders of assessment.

In March 2009, we also received an assessment order from the Indian Service Tax Authority demanding payment of ₹348.1 million (\$5.4 million based on the exchange rate on March 31, 2017) of service tax and related penalty for the period from March 1, 2003 to January 31, 2005. The assessment order alleges that service tax is payable in India on BPM services provided by WNS Global to clients based abroad as the export proceeds are repatriated outside India by WNS Global. In response to an appeal filed by us with the appellate tribunal against the assessment order in April 2009, the appellate tribunal has remanded the matter back to the lower tax authorities to be adjudicated afresh. Based on consultations with our Indian tax advisors, we believe this order of assessment is more likely than not to be upheld in our favor. We intend to continue to vigorously dispute the assessment.

In 2016, we also received an assessment order from the Sri Lankan Tax Authority, demanding payment of LKR 25.2 million (\$0.2 million based on the exchange rate on March 31, 2017) in connection with the review of our tax return for fiscal year 2012. The assessment order challenges the tax exemption that we have claimed for export business. We have filed an appeal against the assessment order with the Sri Lankan Tax Appeal Commission in this regard. Based on consultations with our tax advisors, we believe this order of assessment is more likely than not to be upheld in our favor. We intend to continue to vigorously dispute the assessment.

No assurance can be given, however, that we will prevail in our tax disputes. If we do not prevail, payment of additional taxes, interest and penalties may adversely affect our results of operations, financial condition and cash flows. There can also be no assurance that we will not receive similar or additional orders of assessment in the future.



Terrorist attacks and other acts of violence involving India or its neighboring countries could adversely affect our operations, resulting in a loss of client confidence and materially adversely affecting our business, results of operations, financial condition and cash flows.

Terrorist attacks and other acts of violence or war involving India or its neighboring countries may adversely affect worldwide financial markets and could potentially lead to economic recession, which could adversely affect our business, results of operations, financial condition and cash flows. South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighboring countries, including India and Pakistan. In previous years, military confrontations between India and Pakistan have occurred in the region of Kashmir and along the India/Pakistan border. There have also been incidents in and near India, such as the bombings of the Taj Mahal Hotel and Oberoi Hotel in Mumbai in 2008, a terrorist attack on the Indian Parliament, troop mobilizations along the India/Pakistan border and an aggravated geopolitical situation in the region. Such military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult. Resulting political tensions could create a greater perception that investments in Indian companies involve a high degree of risk. Such political tensions could similarly create a perception that there is a risk of disruption of services provided by India-based companies, which could have a material adverse effect on the market for our services. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue our operations.

Restrictions on entry visas may affect our ability to compete for and provide services to clients in the US and the UK, which could have a material adverse effect on future revenue.

The vast majority of our employees are Indian nationals. The ability of some of our executives to work with and meet our European and North American clients and our clients from other countries depends on the ability of our senior managers and employees to obtain the necessary visas and entry permits. In response to previous terrorist attacks and global unrest, US and European immigration authorities have sharply increased the level of scrutiny in granting visas. Immigration laws in those countries may also require us to meet certain other legal requirements as a condition to obtaining or maintaining entry visas. These restrictions have significantly lengthened the time requirements to obtain visas for our personnel, which has in the past resulted, and may continue to result, in delays in the ability of our personnel to meet with our clients. In addition, immigration laws are subject to legislative change and varying standards of application and enforcement due to political forces, economic conditions or other events, including terrorist attacks. We cannot predict the political or economic events that could affect immigration laws or any restrictive impact those events could have on obtaining or monitoring entry visas for our personnel. If we are unable to obtain the necessary visas for personnel who need to visit our clients' sites or, if such visas are delayed, we may not be able to provide services to our clients or to continue to provide services on a timely basis, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

If more stringent labor laws become applicable to us, our profitability may be adversely affected.

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. Though we are exempt from a number of these labor laws at present, there can be no assurance that such laws will not become applicable to the business process management industry in India in the future. In addition, our employees may in the future form unions. If these labor laws become applicable to our workers or if our employees unionize, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, and our profitability may be adversely affected.

Most of our delivery centers operate on leasehold property and our inability to renew our leases on commercially acceptable terms or at all may adversely affect our results of operations.

Most of our delivery centers operate on leasehold property. Our leases are subject to renewal and we may be unable to renew such leases on commercially acceptable terms or at all. Our inability to renew our leases, or a renewal of our leases with a rental rate higher than the prevailing rate under the applicable lease prior to expiration, may have an adverse impact on our operations, including disrupting our operations or increasing our cost of operations. In addition, in the event of non-renewal of our leases, we may be unable to locate suitable replacement properties for our delivery centers or we may experience delays in relocation that could lead to a disruption in our operations. Any disruption in our operations could have an adverse effect on our results of operation.



Risks Related to our ADSs

Substantial future sales of our shares or ADSs in the public market could cause our ADS price to fall.

Sales by us or our shareholders of a substantial number of our ADSs in the public market, or the perception that these sales could occur, could cause the market price of our ADSs to decline. These sales, or the perception that these sales could occur, also might make it more difficult for us to sell securities in the future at a time or at a price that we deem appropriate or to pay for acquisitions using our equity securities. As at March 31, 2017, we had 50,012,559 ordinary shares (excluding 3,300,000 treasury shares) outstanding, including 49,721,174 shares represented by 49,721,174 ADSs. In addition, as at March 31, 2017, a total of 3,435,112 ordinary shares or ADSs are issuable upon the exercise or vesting of options and restricted share units (“RSUs”) outstanding under our Third Amended and Restated 2006 Incentive Award Plan and our 2016 Incentive Award Plan. All ADSs are freely transferable, except that ADSs owned by our affiliates may only be sold in the US if they are registered or qualify for an exemption from registration, including pursuant to Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”). The remaining ordinary shares outstanding may also only be sold in the US if they are registered or qualify for an exemption from registration, including pursuant to Rule 144 under the Securities Act.

The market price for our ADSs may be volatile.

The market price for our ADSs is likely to be highly volatile and subject to wide fluctuations in response to factors including the following:

- announcements of technological developments;
- regulatory developments in our target markets affecting us, our clients or our competitors;
- actual or anticipated fluctuations in our operating results;
- changes in financial estimates by securities research analysts;
- changes in the economic performance or market valuations of other companies engaged in business process management;
- addition or loss of executive officers or key employees;
- sales or expected sales of additional shares or ADSs;
- loss of one or more significant clients; and
- a change in control, or possible change of control, of our company.

In addition, securities markets generally and from time to time experience significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also have a material adverse effect on the market price of our ADSs.



We may not be able to pay any dividends on our shares and ADSs.

We have never declared or paid any dividends on our ordinary shares. We cannot give any assurance that we will declare dividends of any amount, at any rate or at all. Because we are a holding company, we rely principally on dividends, if any, paid by our subsidiaries to us to fund our dividend payments, if any, to our shareholders. Any limitation on the ability of our subsidiaries to pay dividends to us could have a material adverse effect on our ability to pay dividends to you.

Any future determination to pay cash dividends will be at the discretion of our Board of Directors and will be dependent upon our results of operations and cash flows, our financial position and capital requirements, general business conditions, legal, tax, regulatory and any contractual restrictions on the payment of dividends and any other factors our Board of Directors deems relevant at the time.

Subject to the provisions of the Companies (Jersey) Law 1991 (the “1991 Law”) and our Articles of Association, we may by ordinary resolution declare annual dividends to be paid to our shareholders according to their respective rights and interests in our distributable reserves. Any dividends we may declare must not exceed the amount recommended by our Board of Directors. Our board may also declare and pay an interim dividend or dividends, including a dividend payable at a fixed rate, if paying an interim dividend or dividends appears to the Board to be justified by our distributable reserves. We can only declare dividends if our directors who are to authorize the distribution make a prior statement that, having made full enquiry into our affairs and prospects, they have formed the opinion that:

- immediately following the date on which the distribution is proposed to be made, we will be able to discharge our liabilities as they fall due; and
- having regard to our prospects and to the intentions of our directors with respect to the management of our business and to the amount and character of the financial resources that will in their view be available to us, we will be able to continue to carry on business and we will be able to discharge our liabilities as they fall due until the expiry of the period of 12 months immediately following the date on which the distribution is proposed to be made or until we are dissolved under Article 150 of the 1991 Law, whichever first occurs.

Subject to the deposit agreement governing the issuance of our ADSs, holders of ADSs will be entitled to receive dividends paid on the ordinary shares represented by such ADSs. See “— Risks Related to Our Business — We, from time to time, enter into agreements for credit facilities, which may impose operating and financial restrictions on us and our subsidiaries.”

Holders of ADSs may be restricted in their ability to exercise voting rights.

At our request, the depository of the ADSs will mail to you any notice of shareholders’ meeting received from us together with information explaining how to instruct the depository to exercise the voting rights of the ordinary shares represented by ADSs. If the depository timely receives voting instructions from you, it will endeavor to vote the ordinary shares represented by your ADSs in accordance with such voting instructions. However, the ability of the depository to carry out voting instructions may be limited by practical and legal limitations and the terms of the ordinary shares on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depository in a timely manner. Ordinary shares for which no voting instructions have been received will not be voted.

As a foreign private issuer, we are not subject to the proxy rules of the Commission, which regulate the form and content of solicitations by US-based issuers of proxies from their shareholders. The form of notice and proxy statement that we have been using does not include all of the information that would be provided under the Commission’s proxy rules.



Holders of ADSs may be subject to limitations on transfers of their ADSs.

The ADSs are transferable on the books of the depository. However, the depository may close its transfer books at any time or from time to time when it deems necessary or advisable in connection with the performance of its duties. In addition, the depository may refuse to deliver, transfer or register transfers of ADSs generally when the transfer books of the depository are closed, or at any time or from time to time if we or the depository deem it necessary or advisable to do so because of any requirement of law or of any government or governmental body or commission or any securities exchange on which the American Depositary Receipts or our ordinary shares are listed, or under any provision of the deposit agreement or provisions of or governing the deposited shares, or any meeting of our shareholders, or for any other reason.

Holders of ADSs may not be able to participate in rights offerings or elect to receive share dividends and may experience dilution of their holdings, and the sale, deposit, cancellation and transfer of our ADSs issued after exercise of rights may be restricted.

If we offer our shareholders any rights to subscribe for additional shares or any other rights, the depository may make these rights available to them after consultation with us. We cannot make rights available to holders of our ADSs in the US unless we register the rights and the securities to which the rights relate under the Securities Act, or an exemption from the registration requirements is available. In addition, under the deposit agreement, the depository will not distribute rights to holders of our ADSs unless we have requested that such rights be made available to them and the depository has determined that such distribution of rights is lawful and reasonably practicable. We can give no assurance that we can establish an exemption from the registration requirements under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of our ADSs may be unable to participate in our rights offerings and may experience dilution of your holdings as a result. The depository may allow rights that are not distributed or sold to lapse. In that case, holders of our ADSs will receive no value for them. In addition, US securities laws may restrict the sale, deposit, cancellation and transfer of ADSs issued after exercise of rights.

We may be classified as a passive foreign investment company, which could result in adverse US federal income tax consequences to US Holders of our ADSs or ordinary shares.

Based on our financial statements and relevant market and shareholder data, we believe that we should not be treated as a passive foreign investment company for US federal income tax purposes (“PFIC”) with respect to our most recently closed taxable year. However, the application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you that we will not be a PFIC for any taxable year. A non-US corporation will be a PFIC for any taxable year if either (i) at least 75% of its gross income for such year is passive income or (ii) at least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income. A separate determination must be made after the close of each taxable year as to whether we were a PFIC for that year. Because the value of our assets for purposes of the PFIC test will generally be determined by reference to the market price of our ADSs and ordinary shares, fluctuations in the market price of the ADSs and ordinary shares may cause us to become a PFIC. In addition, changes in the composition of our income or assets may cause us to become a PFIC. If we are a PFIC for any taxable year during which a US Holder (as defined in “Part I — Item 10. Additional Information — E. Taxation — US Federal Income Taxation”) holds an ADS or ordinary share, certain adverse US federal income tax consequences could apply to such US Holder.



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Our share repurchase program could affect the price of our ADSs.

Our Board of Directors and shareholders have authorized the repurchase of up to 3.3 million of our ADSs, each representing one ordinary share, at a price range of \$10 to \$50 per ADS, in the open market from time to time over the next thirty-six (36) months from the date of our shareholders' approval on March 16, 2016. As at March 31, 2017, we have repurchased 2.2 million of our ADSs pursuant to our current repurchase program. Any repurchases pursuant to our repurchase program could affect the price of our ADSs and increase its volatility. The existence of a repurchase program could also cause the price of our ADSs to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity of our ADSs. There can be no assurance that any repurchases will enhance shareholder value because the market price of our ADSs may decline below the levels at which we repurchase any ADSs. In addition, although our repurchase program is intended to enhance long-term shareholder value, short-term price fluctuations in our ADSs could reduce the program's effectiveness. Significant changes in the price of our ADSs and our ability to fund our proposed repurchase program with cash on hand could impact our ability to repurchase ADSs. The timing and amount of future repurchases is dependent on our cash flows from operations, available cash on hand and the market price of our ADSs. Furthermore, the program does not obligate our Company to repurchase any dollar amount or number of ADSs and may be suspended or discontinued at any time, and any suspension or discontinuation could cause the market price of our ADSs to decline.

We have certain anti-takeover provisions in our Articles of Association that may discourage a change in control.

Our Articles of Association contain anti-takeover provisions that could make it more difficult for a third party to acquire us without the consent of our Board of Directors. These provisions include:

- a classified Board of Directors with staggered three-year terms; and
- the ability of our Board of Directors to determine the rights, preferences and privileges of our preferred shares and to issue the preferred shares without shareholder approval, which could be exercised by our Board of Directors to increase the number of outstanding shares and prevent or delay a takeover attempt.

These provisions could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their shares.

It may be difficult for you to effect service of process and enforce legal judgments against us or our affiliates.

We are incorporated in Jersey, Channel Islands, and our primary operating subsidiary, WNS Global, is incorporated in India. A majority of our directors and senior executives are not residents of the US and virtually all of our assets and the assets of those persons are located outside the US. As a result, it may not be possible for you to effect service of process within the US upon those persons or us. In addition, you may be unable to enforce judgments obtained in courts of the US against those persons outside the jurisdiction of their residence, including judgments predicated solely upon the securities laws of the US.



ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of our Company

WNS (Holdings) Limited was incorporated as a private liability company on February 18, 2002 under the laws of Jersey, Channel Islands, and maintains a registered office in Jersey at 22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands. We converted from a private limited company to a public limited company on January 4, 2006 when we acquired more than 30 shareholders as calculated in accordance with Article 17A of the 1991 Law. We gave notice of this to the Jersey Financial Services Commission (“JFSC”) in accordance with Article 17(3) of the 1991 Law on January 12, 2006. Our principal executive office is located at Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli (W), Mumbai 400 079, India, and the telephone number for this office is (91-22) 4095-2100. Our website address is www.wns.com. **Information contained on our website does not constitute part of this annual report.** Our agent for service in the US is our subsidiary, WNS North America Inc., 15 Exchange Place, 3rd Floor, Suite 310, Jersey City, New Jersey 07302, US.

We began operations as an in-house unit of British Airways in 1996 and became a business process outsourcing service provider for third parties in fiscal 2003. Warburg Pincus acquired a controlling stake in our company from British Airways in May 2002 and inducted a new senior management team.

In July 2006, we completed our initial public offering, whereupon our ADSs became listed on the New York Stock Exchange (the “NYSE”) under the symbol “WNS.” In February 2012, in connection with our follow-on offering, we issued new ordinary shares in the form of ADSs, at a price of \$9.25 per ADS, aggregating approximately \$50.0 million and at the same time, Warburg Pincus divested 6,847,500 ordinary shares in the form of ADSs. In February 2013, Warburg Pincus sold its remaining 14,519,144 ordinary shares in the form of ADSs, thereby divesting its entire stake in our company.

From 2004 to July 2007, we provided business process outsourcing services to Aviva, a major client, pursuant to build-operate-transfer contracts from facilities in Colombo, Sri Lanka and Pune, India. The contracts at that time granted Aviva Global the option to require us to transfer our facilities in Sri Lanka and Pune to Aviva Global, which was the business process offshoring subsidiary of Aviva at that time. In 2007, Aviva Global exercised its call option requiring us to transfer the Sri Lanka facility to Aviva Global and the transfer was effective in July 2007. In July 2008, we acquired Aviva Global from Aviva and resumed ownership of the Sri Lanka facility. In connection with our acquisition of Aviva Global, we also entered into a master services agreement with Aviva MS in 2008 (the “2008 Aviva master services agreement”), which we replaced with the Aviva master services agreement in September 2014, pursuant to which we provide BPM services to Aviva’s UK business and Aviva’s Irish subsidiary, Hibernian Aviva Direct Limited, and certain of its affiliates. See “Part I — Item 5. Operating and Financial Review and Prospects — Revenue — Our Contracts” for more details on this transaction.

We have made a number of acquisitions since fiscal 2003, including our acquisition of Town & Country Assistance Limited, a UK-based automobile claims handling company, thereby extending our service portfolio beyond the travel and leisure industry to include insurance-based automobile claims processing. We subsequently rebranded the company as WNS Assistance, which is part of WNS Auto Claims BPM, our reportable segment for financial statement purposes. In fiscal 2004, we acquired the health claims management business of Greensnow Inc. In fiscal 2006, we acquired Trinity Partners Inc. (which we merged into our subsidiary, WNS North America Inc.), a provider of BPM services to financial institutions, focusing on mortgage banking. In August 2006, we acquired from PRG Airlines Services Limited (“PRG Airlines”) its fare audit services business. In September 2006, we acquired from GHS Holdings LLC (“GHS”) its financial accounting business. In May 2007, we acquired Marketics, a provider of offshore analytics services. In June 2007, we acquired Flovate Technologies Limited (“Flovate”), a company engaged in the development and maintenance of software products and solutions, which we subsequently renamed as WNS Workflow Technologies Limited. In March 2008, we entered into a joint venture with ACS, a provider in BPO services and customer care in the Philippines, to form WNS Philippines Inc. and in November 2011, we acquired ACS’s shareholding in WNS Philippines Inc., which became our wholly-owned subsidiary. In April 2008, we acquired Chang Limited, an auto insurance claims processing services provider in the UK, through its wholly-owned subsidiary, Accidents Happen Assistance Limited (“AHA”) (formerly known as Call 24-7 Limited, or Call 24-7). In June 2008, we acquired BizAps, a provider of Systems Applications and Products (“SAP[®]”) solutions to optimize the enterprise resource planning functionality for our finance and accounting processes. In June 2012, we acquired Fusion Outsourcing Services (Proprietary) Limited (“Fusion”), a provider of a range of outsourcing services, including contact center, customer care and business continuity services, to both South African and international clients. Following our acquisition of Fusion, we have renamed it as WNS Global Services SA (Pty) Ltd. In June 2016, we acquired Value Edge, a leading provider of commercial research and analytics services to clients in the Pharma / Biopharma industry. In January 2017, we acquired Denali, a leading provider of strategic procurement BPM solutions. In March 2017, we acquired HealthHelp, an industry leader in BPM care management.



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In fiscal 2010, we restructured our organizational structure in order to streamline our administrative operations, achieve operational and financial synergies, and reduce the costs and expenses relating to regulatory compliance. This restructuring involved the merger of the following seven Indian subsidiaries of WNS Global into WNS Global through a Scheme of Amalgamation approved by an order of the Bombay High Court passed in August 2009 pursuant to the Indian Companies Act, 1956: Customer Operational Services (Chennai) Private Limited, Marketics, Noida Customer Operations Private Limited (“Noida”), NTrance Customer Services Private Limited, WNS Customer Solutions (Private) Limited (“WNS Customer Solutions”), WNS Customer Solutions Shared Services Private Limited and WNS Workflow Technologies (India) Private Limited. In another restructuring exercise, three of our subsidiaries, First Offshoring Technologies Private Limited, Hi-Tech Offshoring Services Private Limited and Servicesource Offshore Technologies Private Limited, were merged into WNS Global through a Scheme of Amalgamation approved by an order of the Bombay High Court passed in March 2010 pursuant to the Indian Companies Act, 1956. In fiscal 2011 and 2012, we restructured and rationalized our UK and US group companies, wherein three of our UK-based non-operating subsidiaries, Chang Limited, Town & Country Assistance Limited and BizAps, were voluntarily dissolved. In the US, two of our subsidiaries, WNS Customer Solutions North America Inc. and Business Application Associates Inc. were merged with and into WNS North America Inc. In fiscal 2012, we also incorporated a new subsidiary in the US, WNS Global Services Inc., established a new branch of WNS (Mauritius) Limited in the Dubai Airport Free Zone, United Arab Emirates, WNS Mauritius Limited ME (Branch), and de-registered our existing subsidiary WNS Global FZE in the Ras-Al-Khaimah Free Trade Zone, United Arab Emirates or UAE. In fiscal 2013, as part of our restructuring activities, WNS Philippines Inc. was merged into WNS Global Services Philippines, Inc. and ownership of our Costa Rican subsidiary, WNS BPO Services Costa Rica, S.R.L. (formerly known as WNS BPO Services Costa Rica, S.A.), was transferred and is now a subsidiary of WNS North America Inc. In May 2012, WNS Global Services (UK) Limited (“WNS UK”) established a branch in Poland, WNS Global Services (UK) Limited (Spółka Z Ograniczoną Odpowiedzialnością) Oddział W Polsce, Gdańsk. In March 2013, we also established a new branch of Business Applications Associates Beijing Ltd. in Guangzhou, China named Business Applications Associates Beijing Limited Guangzhou Branch. In January 2014, we incorporated a new subsidiary of WNS (Mauritius) Limited in China, WNS Global Services (Dalian) Co. Ltd. In March 2014, we incorporated WNS Legal Assistance LLP in the UK under the Limited Liability Partnership Act, 2000. In November 2014, we established a new branch of WNS Global Services Private Limited in Singapore, WNS Global Services Private Limited (Singapore Branch). In December 2015, we established a new branch of WNS Global Services (UK) Limited in France, WNS Global Services (UK) Limited (Branch) (France), and amalgamated WNS Customer Solutions (Private) Limited, which was a subsidiary of WNS Customer Solutions (Singapore) Private Limited, with WNS Global Services (Private) Limited, an entity based out of Sri Lanka. In February 2016, we established a new branch of WNS Global Services (UK) Limited in Romania, WNS Global Services (UK) Limited London Bucharest Branch.

In April 2016, WNS Workflow Technologies Limited was renamed WNS Assistance Limited and WNS Assistance (Legal) Limited, a wholly owned subsidiary of WNS Assistance Limited, was incorporated. In June 2016, we incorporated Ucademy (Pty) Limited, a wholly owned subsidiary of WNS Global Services SA (Pty) Limited. In December 2016, we established two new branches of WNS Global Services Netherlands Cooperatief U.A in Ireland and Turkey, namely WNS Global Services Netherlands Cooperatief U.A (Ireland Branch) and WNS Global Services Netherlands Cooperatief U.A. Merkezli Hollanda Istanbul Merkez Subesi (Turkey Branch), respectively. In March 2017, we established WNS Global Services (Dalian) Co. Ltd Shanghai Branch, a new branch of WNS Global Services (Dalian) Co. Ltd. In April 2017, we established the WNS BBBEE Staff Share Trust with the principal objective of creating meaningful participation of the Black employees (as defined in the applicable legislation) of our South African subsidiaries in the growth of the company. We are committed to transformation in South Africa and are implementing this structure to benefit Black People in accordance with the objectives and requirements of the Codes of Good Practice on Black Economic Empowerment as promulgated by section 9(1) of the Broad-Based Black Economic Empowerment Act No. 53 of 2003 of South Africa. Our organizational structure now comprises 33 entities in 21 countries, and nine branches in Poland, UAE, China, Singapore, France, Romania, Turkey and Ireland. Of these 33 entities, WNS Cares Foundation, which is a wholly-owned subsidiary of WNS Global, is a not-for-profit organization registered under the former Section 25 of the Indian Companies Act, 1956 (which has become Section 8 of the Indian Companies Act, 2013), India. The WNS Cares Foundation was formed for the purpose of promoting corporate social responsibilities and does not qualify as a subsidiary under IFRS 10— Consolidated Financial Statements and hence is not considered for the purpose of preparing our consolidated financial statements.

We have our principal executive office in Mumbai, India, and we have client service offices in Dubai (United Arab Emirates), Jersey City, New Jersey (the US), Sydney (Australia), London (the UK), and Singapore, and we have delivery centers in Guangzhou, Dalian and Shanghai (China), San Jose (Costa Rica), Bangalore, Chennai, Gurgaon, Mumbai, Nashik, Pune, Noida and Vizag (India), Manila, Iloilo and Alabang (the Philippines), Gydnia (Poland), Bucharest and Constanta (Romania), Cape Town, Johannesburg, Durban and Port Elizabeth (South Africa), Colombo (Sri Lanka), Zurich (Switzerland), Istanbul (Turkey), Ipswich, Manchester and Mansfield (the UK), and Columbia, South Carolina, Luzerne, Pennsylvania, Pittsburgh, Pennsylvania, Bellevue, Washington, Boston, Massachusetts, Houston, Texas, and New York, New York (the US).



Our capital expenditures in fiscal 2017, 2016 and 2015 amounted to \$22.9 million, \$27.5 million and \$22.9 million, respectively. Our principal capital expenditure were incurred for the purposes of setting up new delivery centers, expanding existing delivery centers and developing new technology-enabled solutions to enable execution and management of clients' business processes. We expect our capital expenditure needs in fiscal 2018 to be between \$28.0 million to \$30.0 million, a significant amount of which we expect to spend on infrastructure build-out, technology-enablement and the streamlining of our operations. The geographical distribution, timing and volume of our capital expenditures in the future will depend on new client contracts we may enter into or the expansion of our business under our existing client contracts. As at March 31, 2017, we had commitments for capital expenditures of \$6.3 million (net of advances to capital vendors) relating to the purchase of property and equipment for our delivery centers. Of this committed amount, we plan to spend approximately \$3.1 million in India, approximately \$1.0 million in South Africa, approximately \$1.0 million in Philippines, approximately \$0.9 million in Europe (excluding the UK), and approximately \$0.3 million in the rest of the world. We expect to fund these estimated capital expenditures from cash generated from operating activities, existing cash and cash equivalents and the use of existing credit facilities. See "Part I — Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources" for more information.



B. Business Overview

We are a global consultative BPM company, offering an array of end-to-end industry-specific and cross-industry solutions. We have deep industry and process expertise, and provide technology-led innovation, including intelligent automation tools (such as robotic process automation (“RPA”) and cognitive computing), business process as a service (“BPaaS”) platforms, embedded analytics and proprietary transformational and re-engineering frameworks. We strive to enable our clients to be more efficient and competitive through increased cost savings, better operational flexibility, improved service quality and actionable insights. We seek to help our clients “transform” their businesses by identifying business and process optimization opportunities through technology-enabled solutions, improvements to their processes, global delivery capabilities, analytics and an understanding of their business.

A key element in all our outsourcing engagements is our ability to continually deliver business value to our clients. We derive this ability from our core differentiators of deep industry expertise, cutting-edge technology and analytics, and a client-centric approach. Our industry-focused solution design helps us provide a specialized focus on each of the industries that we target, effectively manage our clients’ business processes and offer customized solutions and business insights designed to improve their competitive positioning. The major industry verticals that we currently focus on are: insurance, travel and leisure, diversified businesses (including manufacturing, retail, consumer packaged goods (“CPG”), media and entertainment and telecommunication or telecom), utilities, consulting and professional services, healthcare, banking and financial services, and shipping and logistics.

Our portfolio of services includes industry-focused processes that are tailored to address our clients’ specific business and industry requirements. In addition, we offer a set of shared services that are common across multiple industries, including customer interaction services, finance and accounting, research and analytics and technology services.

We measure our execution of our clients’ business processes against multiple performance parameters, and aim to consistently meet and exceed these parameters in order to maintain and expand our client relationships. We endeavor to build long-term client relationships, and typically sign multi-year contracts with our clients that provide us with recurring revenue. In fiscal 2017, 101 and 94 clients contributed more than \$1 million to our revenue and revenue less repair payments (non-GAAP), respectively. In fiscal 2016, 91 and 84 clients contributed more than \$1 million to our revenue and revenue less repair payments (non-GAAP), respectively.

As at March 31, 2017, we had 33,968 employees executing approximately 700 business processes for our 349 clients.

In fiscal 2017, our revenue was \$602.5 million, our revenue less repair payments (non-GAAP) was \$578.4 million and our profit was \$37.8 million. Our revenue less repair payments is a non-GAAP financial measure. For a discussion of our revenue less repair payments (non-GAAP) and a reconciliation of our revenue less repair payments (non-GAAP) to revenue, see “Part I — Item 5. Operating and Financial Review and Prospects — Overview.”

Industry Overview

The global outsourcing market continues to evolve, with the focus shifting from process improvements to business transformation. While the original drivers of process efficiency, cost advantage and labor arbitrage remain relevant, there is a broader and more strategic narrative to outsourcing today with a strong focus on domain knowledge. Companies are now seeking long-term, strategic relationships with BPM providers and expect them to play a bigger and more profound role in achieving both incremental and transformational outcomes. As companies outsource some of their more complex and high-end business processes, the key consideration for them is the ability of the BPM provider to execute intricate, multi-layered transfer programs and successfully manage these processes on an ongoing basis. As a result, we see the outsourcing marketplace expanding beyond transactional processes to include more complex business processes, consulting, automation, technology-led initiatives, digitization, support for internet of things (“IoT”) capabilities, cloud computing, and research and analytics. Increasingly, companies with the aim of standardizing processes and maximizing the returns on their investments are demanding higher-value, cost-effective services such as process re-engineering and business transformation from their BPM providers. The increased focus on variable cost structures and the creation of tangible business benefit has resulted in alternative service delivery and pricing models such as transaction- and outcome-based models.

Businesses are thus undertaking a rigorous and multi-faceted evaluation process when selecting a BPM provider. Based on our experience, a client typically seeks several key attributes in a business process management provider, including:

- Domain knowledge and industry-specific expertise;
- Process expertise across horizontal service offerings;
- Ability to innovate, add new operational expertise and drive best practices based on internal and external benchmarking;
- Proven ability to execute a diverse range of mission-critical and often complex business processes;
- Ability to tie service delivery or process automation with the client’s existing IT infrastructure;



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- Ability to deploy bolt-on tools or applications that can be easily added onto the enterprise architecture;
- Capabilities to drive improved process standardization across business units and multiple locations, demonstrating strong global delivery capabilities;
- Analytical capabilities to deliver actionable business insights;
- Technology-enabled services and solutions, cloud-based offerings and platform-based BPM;
- Global presence through a mix of offshore, nearshore and onshore delivery centers to access talent and capabilities, create cultural alignment, leverage language skills, and mitigate risks; and
- Capability to scale employees and infrastructure without a diminution in quality of service.

The recent outsourcing trends have driven BPM providers to be more innovative, strategic and forward looking in their outlook. Against the backdrop of this changed environment, we believe our company with our extensive industry expertise, client-centric approach, global footprint, transformational and re-engineering frameworks and ability to identify levers of change, is well positioned to deliver business value to our clients. We offer technology-enabled and BPaaS solutions that help companies rapidly adapt to changing business conditions. On similar lines, in addition to traditional pricing models based on headcount (often referred to as full-time equivalents (“FTEs”)), we offer transaction and outcome-based pricing models to provide clients with cost flexibility and measurable business benefit. In fiscal 2017, 28.2% of our total revenues were generated from “non-FTE” models. These “non-linear” pricing models, which de-link the relationship between headcount and revenue for BPM providers, create an incentive for the providers to improve the productivity of their employees, increase the use of technology, and enhance the overall efficiency of their operations.

The global business process management industry is a large and growing industry. According to the Gartner Forecast: IT Services, Worldwide, 2015-2021, 1Q17 Update, the worldwide BPO market is estimated to have grown to \$157.854 billion in 2016. Gartner has estimated that the revenue for the worldwide BPO market will grow from \$157.854 billion in 2016 to \$198.907 billion in 2021, which we calculate to represent a compounded annual growth rate of 4.73%.



The following chart sets forth the estimated growth in revenue generated from worldwide BPO services:

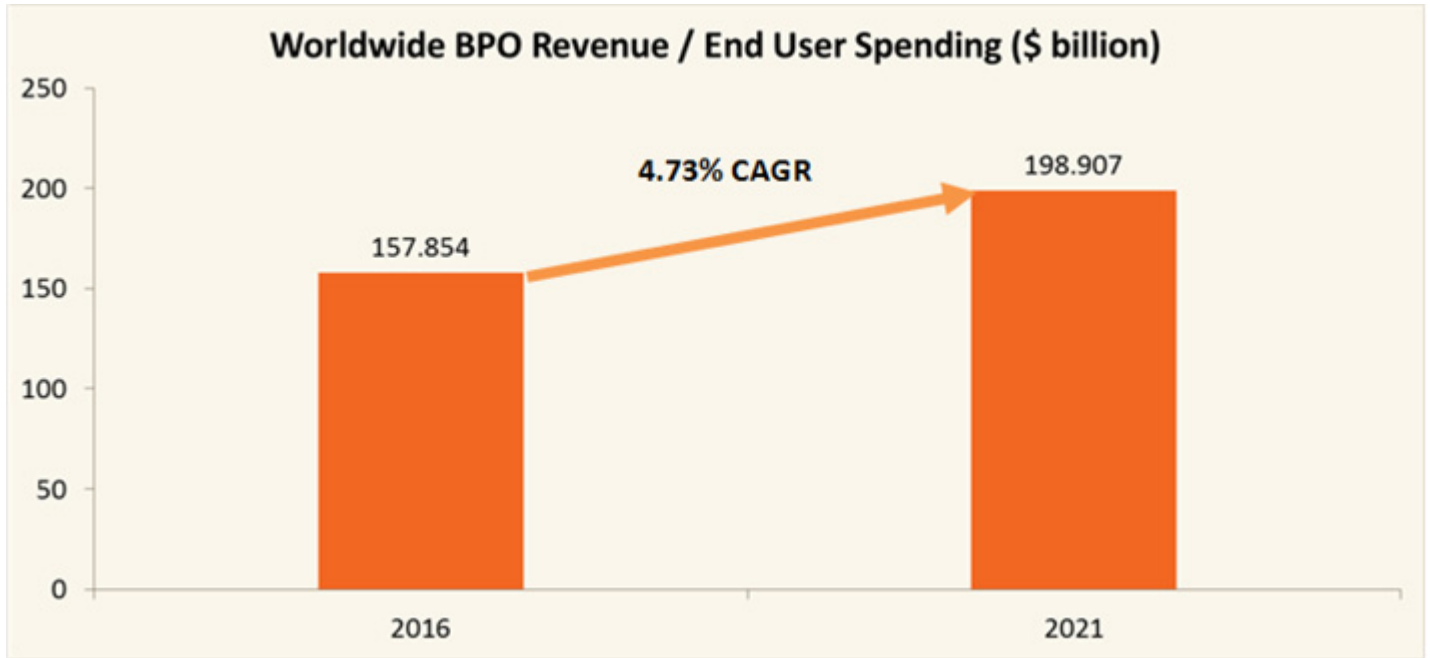


Chart created by WNS Global Services based on Gartner research.

Source: Gartner, Inc., Forecast: IT Services, Worldwide, 2015-2021, 1Q17 Update. Dated: March 21, 2017.

The Gartner Report(s) described herein (the "Gartner Report(s)") represent(s) research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this annual report) and the opinions expressed in the Gartner Report(s) are subject to change without notice.



Competitive Strengths

We believe that we have the competitive strengths necessary to maintain and enhance our position as a leading global provider of BPM services.

Well-positioned for the evolving BPM market

The BPM industry, which started with the first wave of simple outsourced processes, has now expanded to include complex business processes and higher-value services that involve process re-engineering, business transformation, management of mission-critical operations, and generation of business insights to aid decision-making. We believe that our industry-specific expertise, end-to-end service capabilities, transformation capabilities, technology-enabled solutions, process management skills, embedded analytics, global delivery network and customer-centric approach position us at the forefront of the evolving BPM market.

Deep industry expertise

We have established deep expertise in the industries we target as a result of our vertical organizational structure, legacy client relationships, key acquisitions and the hiring of management with specific industry knowledge. Our deep domain expertise in each of the 12 industries we serve helps us develop keen insights and transform them into leading-edge impactful business solutions with the help of technology, analytics and process rigor. We have developed methodologies, proprietary knowledge and industry-specific technology platforms applicable to our target industries that allow us to provide industry-focused solutions and be more responsive to customer needs within these industries.

We have organized our company into business units aligned along each of the industries on which we focus. By doing so, we are able to approach clients in each of our target industries with a combined sales, marketing and delivery effort that leverages our in-depth industry knowledge and industry-specific technology platforms and solutions.



We have received numerous recognitions for our industry leadership. Our awards and recognitions in fiscal 2017 and 2016 are set forth below:

Insurance:

- A “Leader” in Everest Group’s Property and Casualty Insurance BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016
- A “Major Contender” in Everest Group’s Life and Pensions Insurance BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016
- A “Leader” in NelsonHall’s NEAT for Life Annuities & Pensions Business Process Services 2016

Finance and Accounting:

- A “Winner’s Circle” player in HfS Research’s Blueprint Report: Finance As-a-Service 2016
- A “Major Contender” in Everest Group’s Finance and Accounting Outsourcing (“FAO”) – Service Provider Landscape with PEAK Matrix™ Assessment 2016

Banking and Financial Services:

- A “High Performer” in HfS Research’s Blueprint Report: Capital Markets Operations 2017
- A “Major Contender” in Everest Group’s Capital Markets BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016
- A “Major Contender” in Everest Group’s Banking BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016
- A “Major Contender” in Everest Group’s Retail Banking BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016

Customer Interaction Services:

- A “High Performer” in HfS Research’s Blueprint Report: Contact Center Operations 2016
- A “Leader” in NelsonHall’s NEAT for Customer Management Services 2016
- A “Major Contender” in Everest Group’s Contact Center Outsourcing – Service Provider Landscape with PEAK Matrix™ Assessment 2016
- An “Execution Powerhouse” in HfS Research’s Blueprint Report Digitally Enabled Contact Center 2016

Procurement and Supply Chain:

- A “Major Contender” in Everest Group’s Procurement Outsourcing (“PO”) – PO Service Provider Landscape with PEAK Matrix™ Assessment 2016
- An “Execution Powerhouse” in HfS Research’s Blueprint Report: Procurement As-a-Service 2016

Analytics:

- A “Major Contender” in Everest Group’s Analytics Business Process Services – Service Provider Landscape with PEAK Matrix™ Assessment 2016
- A “Major Performer” in IDC MarketScope: Worldwide Business Analytics BPO Services 2016 Vendor Assessment
- A “Leader” in NelsonHall’s NEAT for Transforming Customer Management Services through Analytics 2016



Corporate:

- AON Best Employer India 2017 Award
- Two Aecus Innovation Awards 2016:
 - For British Gas
 - For Thomas Cook
- National Association of Software and Services Companies (“NASSCOM”) Partnership Award 2016 for Lytx
- Golden Peacock Innovation Management Award 2016
- Five 2016 Business Process Enabling South Africa National Industry Awards:
 - Best Contact Centre Operational Manager
 - Best Contact Centre Supervisor
 - Best Client Services Manager (Outsourced Services)
 - Best Community Spirit
 - International Best Outsourced Contact Centre Mega (1000+)
- Occupational Safety and Health Innovation Awards 2016 for Innovation category (Silver Award)
- Two Shared Services & Outsourcing Network (“SSON”) Excellence Awards 2016:
 - Best Outsourcing Partnership (Silver Award)
 - Best Process Innovation (honorary mention)
- Three National Energy Conservation Awards 2016 for BPO Building Sector Category (1st prize, 2nd prize and certificate of merit)
- Recognized as a Leader in International Association of Outsourcing Professionals Global Outsourcing 100 ranking 2017
- Two Stevie Awards for Excellence in Sales & Customer Service 2017:
 - e-Commerce Customer Service Award (Bronze Award)
 - Business Intelligence Solution – New (Gold Award)

Human Resources (“HR”):

- SSON Australasia 2016 for Excellence in People and Culture Creation (Honorary mention)
- Business World HR Excellence Award 2016 for Excellence in Talent Acquisition

Technology:

- Two International Data Group Chief Information Officer Awards 2016:
 - Business Transformers
 - Collaboration Champions
- Innovative Chief Information Officer Award 2016 for Innovation
- Two Data Security Council of India Excellence Awards 2016:
 - Best Privacy Practices in IT-BPM Sector
 - Privacy Leader of the year (Finalist Certificate)



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Quality:

- Golden Star Six Sigma Awards 2016 for Best use of Six Sigma in Customer Service
- World Quality Congress Award 2016 for Best Six Sigma Project in Travel Sector
- Sri Lanka Association of Software Service Companies Award 2016 for Excellence in Quality Management
- Two National Quality Excellence Awards 2017:
 - Best Business Process Excellence Program
 - Best Quality Assurance Management Program in BPO Sector

Learning and Development:

- Golden Peacock National Training Award 2016
- HR Tech Conference and Awards 2016 for Most Innovation Training and Development Program
- Society for Human Resource Management Excellence Awards 2016 for Excellence in Developing Leaders of Tomorrow

Corporate Social Responsibility:

- Asian Customer Engagement Forum Customer Engagement Awards 2016 for Customer Engagement through Corporate Social Responsibility
- Golden Peacock Global Award 2017 for Corporate Social Responsibility



End-to-end service portfolio including higher-value transformational services and technology-enabled solutions

We seek to focus our service portfolio on more complex processes and solutions, and to shift away from reliance on services that are less integral to our clients' operations, such as commoditized voice and transactional services (telemarketing and technical helpdesks), which characterized the business process outsourcing industry in its early days. We offer an array of higher-value, judgment-based services that seek to not only reduce cost and improve operating efficiency, but enable improved decision-making, competitive positioning and business outcomes for executive officers. These include high-end finance and accounting services, including strategic sourcing through supply chains, transformation services, technology-enabled offerings and analytics capabilities. We also provide a wide array of industry-specific solutions, which cut across these traditional "horizontal" services. These solutions are designed to help clients address process efficiency requirements and provide business insights specific to their industry.

We have also developed and continue to develop technology-enabled, or "automated," solutions that utilize our proprietary software and licensed software in conjunction with our core business process management services. These integrated, technology-enabled solutions allow us to offer higher-value, differentiated services which are more scalable and repeatable and create value for our clients through increased process efficiency and quality. We also collaborate with technology companies, combining their software tools, platforms and expertise with our service capabilities to deliver business solutions to the marketplace. We believe these technology-enabled "automated" solutions will enable us to grow our revenue in a non-linear way by decoupling revenue growth from headcount growth.

To this end, we offer platform-enabled BPM or BPaaS that tightly integrates our domain expertise, business processes, automation, embedded analytics and a cloud-based infrastructure.

Proven global delivery platform

We deliver our services from 48 delivery centers around the world, located in China, Costa Rica, India, the Philippines, Poland, Romania, South Africa, Sri Lanka, Turkey, the UK and the US. Our ability to offer services delivered from a mix of onshore, nearshore and offshore locations benefits our clients from the perspectives of access to skills and talent, cultural alignment, language capabilities, risk mitigation, scalability, efficiency and cost-effectiveness.

We believe the breadth of our delivery capability allows us to meet our clients' needs, diversifies our workforce and allows us to access local talent pools around the world.

Our client-centric focus

We have a client-centric engagement model that leverages our industry-specific and shared-services expertise, flexible pricing models, "client-partner" relationship approach, as well as our global delivery platform to offer business solutions designed to meet our clients' specific needs.

We seek to enhance our value proposition to our clients by providing them with flexible pricing models that align our objectives with those of our clients. In addition to traditional full-time equivalent-based pricing, we provide alternative pricing models such as transaction-based pricing and outcome-based pricing. A sizable percentage of our revenue, being 28.2% in fiscal 2017, is derived from these "non-FTE"-based pricing models. These models enable our clients to pay only for actual work performed or tangible benefit received.

We have also adopted a client-centric sales model, which is tightly integrated with our vertical organizational structure. Strategic client accounts are assigned a dedicated client partner from our team who is responsible for managing the day-to-day relationship. The client partner is typically a seasoned resource with deep domain experience, who works directly from the client's local offices. Within our company, the client partner is aligned with a specific vertical, and directly manages sales resources responsible for expanding client relationships (farmers). The client partner is responsible for driving business value to our clients, ensuring quality of delivery and customer satisfaction, and managing account growth and profitability.



Experience in transitioning processes and running them efficiently

Many of the business processes that our clients outsource to us are critical and core to their operations, requiring substantial program management expertise. Our rigorous program management methodology and proprietary toolsets are designed to ensure smooth transfer of business processes from the client to WNS. Our experienced program management team has transferred approximately 700 business processes for our clients globally.

“EnABLE” is our results-oriented transition methodology designed to enable us to engage with a client closely; address the client’s concerns and needs; identify, discover and diagnose loopholes if any; and enable efficient and timely migration of the client’s process from the existing environment to WNS. This methodology is continuously upgraded with our learnings and experiences from various transitions.

We focus on delivering our client processes effectively on an ongoing basis. We have a robust quality management system and we have maintained continual compliance with International Standard Organization (“ISO”) 9001:2008 and ISO 27001 standards. We apply Lean Six Sigma methodologies, which combine Six Sigma, a methodology designed to improve consistency across processes, and Lean, an engineering methodology to further improve our process delivery. We invest in training and development to equip our employees with Lean Six Sigma knowledge and skills, and encourage them to identify key opportunity areas within different processes and drive operational excellence.

We also continually seek feedback from our customers at regular intervals. We carry out annual surveys of our customers through which suggestions are invited for improvements along with ratings on specific parameters. Such ratings provide unfiltered customer feedback that helps us assess our performance and maintain focus on our clients’ key expectations.

Extensive investment in human capital development

We have established the WNS Learning Academy, which provides ongoing training to our employees for the purpose of continuously improving their leadership and professional skills. This includes the provision of extensive training infrastructure, such as training rooms, mobile application-based learning systems and in-house learning programs, which help impart key professional skills and industry-specific knowledge to our employees. We seek to promote our team leaders and operations managers from within, thereby offering internal advancement opportunities and clear long-term career paths.

The WNS Learning Academy is a training construct designed to build a culture of perpetual learning by placing the employees on a learning path, which imparts knowledge, builds confidence and enables advancement. As a part of the WNS Learning Academy, we have created specific Domain Universities, which enable individuals at any level of the organization to continuously improve their industry knowledge and prepare for increasingly complex, domain specific roles.

As part of their development, we have launched programs for our front line managers and top employees to help them improve their performance in their current roles and to develop new skill sets to enable them to take on new roles. These programs include our business intervention programs “Beyond Horizon,” “Inspire,” “TransforME,” “Empower,” “Evolve,” and “Ascend,” which are all programs designed to identify promising employees at various levels of the organization and empower them with the requisite skills to grow and eventually step into senior leadership roles.

We have put in place our New Leadership Competency framework, which serves as a tool to help leaders measure the necessary skill sets and behavioral patterns required to excel in the current and future roles.

In addition, we create individual development plans for our top talent based on inputs from our line managers and business units heads to help further their career development.

Our aim is to develop a high performing global team and increase our employees’ effectiveness. We expect to increasingly leverage technology to create a learning organization.

Experienced management team

We benefit from the effective leadership of a global management team with diverse backgrounds including extensive experience in outsourcing. Members of our executive and senior management team have, on average, over 20 years of experience in diverse industries, including in the business process and information technology outsourcing sector, and in the course of their respective careers have gathered experience in developing long-standing client relationships, leveraging technology, launching practices in new geographies, developing new service offerings and successfully integrating acquisitions.



Business Strategy

Our objective is to strengthen our position as a leading global business process management provider. We seek to increase our client base, expand our existing relationships, further develop our industry expertise, enhance our value proposition to our clients, develop new business services, leverage analytics to create actionable insights, enhance our brand, develop technology-enabled services and solutions, expand our global delivery platform and make select acquisitions.

We have made significant investments to accelerate our growth. These investments include:

- Expansion and reorganization of our sales force;
- Increase in the expertise and management capability within our sales force;
- Expansion of other sales channels including the development of new partnerships and alliances and broadening our engagement with outsourcing industry advisors and analysts;
- Increase in the range of services and solutions offered to our clients across different industries and business functions;
- Establishment of our Capability Creation Group to facilitate the creation of new client offerings and automation of solutions;
- Increased focus on analytics through internal investment, strategic partnerships and acquisitions;
- Increased use of technology in our service offerings, including the development of new technology-enabled solutions;
- Expansion of our global delivery platform; and
- Focused strategic acquisitions to improve our capabilities.

The key elements of our growth strategy are described below:

Increase business from existing clients and add business from new clients

We have organized our company into vertical business units to focus on each of the industries that we target and to more effectively manage our clients' business processes and to offer customized solutions designed to solve their business challenges. Our sales force of 86 members as at March 31, 2017, provides broad sales coverage and management experience. Our sales force is organized into two groups, one focused primarily on expanding existing client relationships (farmers) and another focused on seeking new clients (hunters).

We seek to expand our relationships with existing clients by identifying additional processes that can be transferred to our global delivery centers, cross-selling new services, adding technology-based offerings, utilizing analytics to create actionable insights, and expanding into other lines of business and geographies within each client. Our account managers and client partners have industry-specific knowledge and expertise, and are responsible for maintaining a thorough understanding of our clients' outsourcing roadmaps as well as identifying and advocating new outsourcing opportunities. As a result of this strategy, we have built a strong track record of extending the scope of our client relationships over time.

For new clients, we seek to provide value-added solutions by leveraging our deep industry knowledge, process expertise, technology-enablement, analytics capabilities and transformation solutions. As a result of our capabilities and industry vertical go-to-market approach, we have been able to compete effectively for new opportunities.



Reinforce leadership in existing industries

Through our industry-focused operating model, we have established leading business process management practices in various industries and business sectors. We intend to leverage our knowledge of the insurance; travel and leisure; diversified businesses including manufacturing, retail, CPG, media and entertainment, and telecom; utilities; consulting and professional services; healthcare; banking and financial services; and shipping and logistics industries, to penetrate additional client opportunities within these industries. To complement our industry-focused approach, we continue to invest in talent, analytics and technology platforms with the goal of expanding our business and acquiring industry specific expertise to improve our service offerings across industries.

Provide higher value added services

We enhance our value proposition to our clients by leveraging our industry-specific expertise; our portfolio of higher-value services such as our finance and accounting services, research and analytics services, transformation services and technology-enabled solutions; and our flexible pricing models. We expect that as the BPM market further matures, the demand for industry-specific services and non-linear pricing models will increase. Accordingly, we have made significant investments in both these areas which we expect will give us a competitive advantage. We intend to broaden the scope of our higher-value service offerings to capture new market opportunities. By delivering a wider portfolio of higher-value services to our clients, and migrating them towards transaction and outcome-based pricing models, we aim to move up the value chain with our clients and thereby enhance the size, strength and profitability of these relationships.

In January 2012, we established our Capability Creation Group, which is responsible for facilitating the creation of new industry-leading solution offerings, transformation methodologies and frameworks, and process reengineering offerings. These solution offerings include automation of manual processes, solving operational challenges and enhancing productivity and efficiencies for client organizations. We intend to continue to expand on capability creation to drive process excellence, technology development, and new solutions and capabilities to address client needs.

Enhance awareness of the WNS brand name

Our reputation for operational excellence and domain expertise among our clients has been instrumental in attracting and retaining new clients as well as talented and qualified employees. We believe we have benefited from strong word-of-mouth references that have helped us to scale our business. We are actively increasing our efforts to enhance awareness of the WNS brand in our target client and employee markets. To accomplish this, we have a dedicated global marketing team comprised of experienced industry talent. We are also focusing on developing channels to increase market awareness of the WNS brand, including participation in industry events and conferences, exposure in industry publications, publication of articles and white papers, webinars and podcasts, internet and digital media, and other initiatives that create enhanced visibility of the WNS brand and establish WNS' thought leadership capabilities in the BPM industry. In addition, we are working to improve visibility and positioning with the BPM industry analysts, sourcing advisors, general management consulting firms, and boutique outsourcing firms, who are often retained by prospective clients to provide strategic advice, act as intermediaries in the sourcing processes, develop scope specifications, and aid in the partner selection process.

Expand our delivery capabilities

We currently operate from 48 delivery centers located in 11 countries around the world. In fiscal 2017, we expanded our delivery capacity by 1,601 seats or approximately 6.1% of our capacity at the end of fiscal 2016. We will expand our global delivery capability through additional delivery centers in onshore, nearshore and offshore locations as well through collaborations with other providers, based on client demand and market trends. This approach will allow us to offer our clients maximum value and flexibility, as well as gain access to potential clients and markets that may have specific delivery requirements or constraints.

Broaden industry expertise and enhance growth through selective acquisitions and partnerships

Our acquisition strategy is focused on adding new service offerings and capabilities, technology-enabled automation tools and analytics capabilities, and deeper industry expertise, as well as expanding our geographic delivery platform. Our acquisition track record demonstrates our ability to integrate, manage and develop the specific capabilities we acquire. One of our key objectives is to continue to pursue targeted acquisitions in the future and to rely on our integration capabilities to expand the growth of our business.



Business Process Management Service Offerings

We offer our services to clients through industry-focused business units. We are organized into the following vertical business units to provide more specialized focus on each of these industries and more effectively manage our sales, marketing and delivery processes:

- Insurance;
- Travel and leisure;
- Diversified businesses including manufacturing, retail, CPG, media and entertainment, and telecom;
- Utilities;
- Consulting and professional services;
- Healthcare;
- Banking and financial services; and
- Shipping and logistics.

In addition to industry-specific services, we offer a range of services that are common across multiple industries (which we refer to as our horizontal services), in the areas of customer interaction services, finance and accounting, research and analytics and technology services. In addition, our global transformation practice offers higher-value services such as transformation services, which are designed to help our clients modify their business processes to enhance productivity, and manage changes in the business environment and leverage business knowledge to increase market competitiveness. We help clients drive these initiatives with technology-enabled solutions, process re-design including quality initiatives such as Six Sigma or Lean, and business analytics.

To achieve in-depth understanding of our clients’ industries and the geographies in which they operate, we manage and conduct our sales processes in our three key markets — Europe, North America and Asia-Pacific. Our sales teams are led by senior professionals who focus on target industries, processes and clients. Each business unit is staffed by a dedicated team of managers and employees engaged in providing business process management client solutions. In addition, each business unit draws upon common support services from our information technology, human resources, training, corporate communications, corporate finance, risk management and legal departments, which we refer to as our corporate-enabling units.

Vertical Business Units:

Insurance

Our insurance services (actuarial and non-actuarial) are structured into three lines of business offerings customized for property and casualty insurance, life and annuities, and healthcare. We cater to a diverse and sizeable number of clients globally and have significant experience across a broad range of insurance product lines.

The key insurance industry sectors that we serve include:

- Life, annuity and property and casualty insurers;
- Insurance brokers and loss assessors, property and casualty insurance providers, re-insurance brokers and motor insurance companies;
- Self-insured auto fleet owners;



- Lloyds of London Market; and
- Healthcare payers.

Our insurance business vertical includes our auto claims business, consisting of WNS Assistance Limited, AHA, WNS Assistance (Legal) Limited and WNS Legal Assistance LLP, which comprises our WNS Auto Claims BPM segment. We offer a technology-driven model that enables us to handle the entire automobile insurance claims cycle.

We offer Broker Connect, an advanced mobility solution that is designed to provide a comprehensive solution to meet the requirements of insurance brokers and financial advisors. It has features such as real-time status update / push notifications on new policy set-up as well as policy amendments. Our eAdjudicator tool automates the end-to-end adjudication process of various types of claims. It is driven by robotic process automation and analytics, and improves the insurer’s claims settlement rate with enhanced efficiency and accuracy. We also offer “WNS IPAS,” an insurance policy administration system integrator that provides a unified view of operations spread across multiple geographies with real-time distribution of work to manage high-transaction volumes.

As at March 31, 2017, we had 7,239 employees working in this business unit. In fiscal 2017 and 2016, this business unit accounted for 29.6% and 32.4% of our revenue 26.6% and 28.4% of our revenue less repair payments (non-GAAP), respectively.

The following table illustrates the key areas of services that we provide to clients in this business unit:

Insurance – Service Offerings

<u>Property & Casualty</u>	<u>Actuarial</u>	<u>Analytics</u>	<u>Life & Annuity</u>
Sales & service, underwriting & support, policy administration, risk & compliance, premium / billing management, claims management, actuarial and research & analytics, shared services (procurement & claims, supply chain, finance & accounting, HR & payroll, consulting services)	<i>Actuarial services in life insurance:</i> In-force model projections / reporting, financial modeling, product management and pricing, capital management, asset liability management; <i>Actuarial services in property & casualty insurance:</i> Reserving & claims analysis, solvency II & capital modeling, pricing and underwriting support, catastrophe modeling	Claims analytics, subrogation analytics, fraud analytics, customer analytics	Sales & service, underwriting & support, policy administration, risk & compliance, premium / billing management, claims management, actuarial and research & analytics, shared services (procurement & claims, supply chain, finance & accounting, HR & payroll, consulting services)



Travel and Leisure

We deliver end-to-end services to clients across the travel and leisure industry value chain. We provide a wide range of scalable solutions that support air, car, hotel, marine and packaged travel and leisure services offered by our clients.

The key travel and leisure industry sectors that we serve include:

- Airlines;
- Travel agencies, including online travel agencies, tour operators and travel management companies;
- Global distribution systems providers;
- Rental car companies and motor clubs; and
- Hotels and cruise lines.

As at March 31, 2017, we had 8,402 employees in this business unit, several hundred of whom have International Air Transport Association, Universal Federation of Travel Agents or other travel industry related certifications. In fiscal 2017 and 2016, this business unit accounted for 21.3% and 19.6% of our revenue and 22.1% and 20.7% of our revenue less repair payments (non-GAAP), respectively.

The following table illustrates the key areas of services that we provide to clients in this business unit:

<u>Front-office</u>	<u>Travel and Leisure—Service Offerings</u>	<u>Back-office</u>
	<u>Mid-office</u>	
Reservations / sales, fares support, multi-channel customer care, baggage handling, loyalty program management	Pricing and revenue management, fulfillment, cargo support	Finance and accounting, revenue accounting, human resource management, procurement, cabin crew management, flight / network operations, engineering technical records processing

Research and analytics: Loyalty analytics, customer interaction service analytics, commercial intelligence, flight operations, pricing and revenue management

Technology platforms:

- **VERIFARE PlusSM:** Fare audit solution
- **SmartProSM:** Interline proration engine that helps airlines arrest revenue leakage through accurate proration of partner revenues
- **QbaySM:** Automated queue distribution and workflow management solution, which empowers floor supervisors and process managers to improve operations, minimize costs and enhance customer service
- **RePAXSM:** Automated flight disruption management solution, which is designed to help airlines minimize losses and improve passenger experience during flight disruptions
- **WNS' Commercial Planning Suite:** Comprehensive suite of analytic dashboards and decision support tools to assist the various commercial functions of an airline to maximize the revenues, quickly asses key gaps in revenue production and identify root causes



Diversified Businesses (including Manufacturing, Retail, Consumer Products, Media and Entertainment and Telecom)

We deliver comprehensive BPM services for diversified businesses, including manufacturing, retail, consumer products, media and entertainment, and telecom.

As at March 31, 2017, we had 5,032 employees in this business unit. In fiscal 2017 and 2016, this business unit accounted for 17.5% and 15.4% of our revenue and 18.2% and 16.3% of our revenue less repair payments (non-GAAP), respectively.

Manufacturing: Our manufacturing team has rich experience in delivering metrics-driven solutions and transformation programs for our manufacturing clients. The key manufacturing sectors that we serve include:

- Electronics manufacturers;
- Metal and mining companies;
- Medical equipment manufacturers;
- Surgical equipment and vision care product manufacturers;
- Building and construction product manufacturers;
- Automobile manufacturers; and
- Process manufacturers.



The following table illustrates the key areas of services provided to clients in this business unit:

Manufacturing—Service Offerings

<u>Supply Chain Planning and Forecasting</u>	<u>Sourcing and Procurement</u>	<u>Fulfillment & Logistics</u>	<u>Warranty and Returns Management</u>	<u>Shared Services</u>	<u>Sales, Marketing and Customer Services</u>
Sales and operations planning, demand forecasting, supply planning, inventory management, inventory analytics	Strategic sourcing, category management, contract management, spending analytics, transactional procurement	Order entry & processing, order tracking, billing / invoicing, transport management, logistics optimization	Warranty customer operations, warranty claims management, parts / repair management, warranty financial management, returns management, customer helpdesk	Finance and accounting services, customer care services, human resource services	Global market opportunities, brand building, go to market strategy, customer services, order management, acquisition analysis, retention analysis

Retail and Consumer Products: Our retail and CPG solutions are designed to help our clients improve customer service, optimize marketing expenditures, reduce operational costs and streamline processes through efficiency, quality and productivity improvements.

The key retail and CPG companies that we serve include:

- Beverage companies;
- Fast food chains and restaurants;
- Cosmetics and healthcare companies;
- Discount stores;
- Specialty retailers; and
- E-commerce retailers.

To support our services, we use our research and analytics platform, WADESM, which was designed and developed to enable retail and CPG companies to access, organize and analyze data from various outside sources and use the information to take informed decisions.



The following table illustrates the key areas of services that we provide to clients in this business unit:

Retail and Consumer Packaged Goods—Service Offerings

<u>Strategy Solutions</u>	<u>Customer Service Solutions</u>	<u>Supply Chain Solutions</u>	<u>Revenue Management Solutions</u>	<u>Global Back-office Solutions</u>
Market entry strategy, balancing portfolio investments, consumer and market insights, innovation strategies, power brand strategy, marketing spending optimization	Omni-channel (phone, e-mail, fax, website, live chat, social media) customer relationship management	Retailer-supplier collaboration for demand-driven supply chain and retail execution management, supply intelligence, supplier performance and risk monitoring, contract management, supply chain orchestration – global trade shared services, trading partner helpdesks, logistics	Planning and execution of transaction and interaction-based campaign strategies, loyalty management, credit control and collections	Simplified, shared global self-service organization model with local business partners for finance and accounting, human resources or indirect procurement; end-to-end low cost shared services for transaction processes and virtual centers of excellence (“CoEs”) for specialized services (e.g., tax and internal audit)

Media and Entertainment: Our media and entertainment solutions are designed to help our clients create new revenue streams, capitalize on emerging digital opportunities, harness new-age consumers to their advantage and boost margins. The key media and entertainment sectors that we serve include:

- Music;
- Publishing;
- Television;
- Radio;
- Filmed entertainment;
- Gaming and animation;
- Sports entertainment; and
- Internet and outdoor advertising firms.

Working with some of the largest media and entertainment companies in the world gives us an undisputed advantage in understanding the nuances of the business. We leverage years of industry and process experience, and a large team of digital media experts in delivering new-age cost-effective solutions to clients in this industry.



The following table illustrates the key areas of services that we provide to clients in this business unit:

Media and Entertainment—Service Offerings

<u>Strategy Solutions</u>	<u>Digital Operations and Royalty Management Solutions</u>	<u>Sales, Marketing and Distribution Solutions</u>	<u>Customer Service Solutions</u>	<u>Global Back-office Solutions</u>
Market entry strategy, balancing portfolio investments, consumer and market insights, innovation strategies, brand power strategy, marketing expense optimization	Digital operations solutions to help companies successfully expand into the digital business; royalty management solutions to help clients manage rights and royalties in both new media and traditional media	Seamless integration of traditional and digital product sales, marketing and distribution to enable clients to roll out timely innovative pricing / packaging strategies	Omni-channel (phone, e-mail, fax, website, live chat, social media) customer relationship management	Simplified, shared global self-service organization model with local business partners for finance and accounting, human resources or indirect procurement; end-to-end low cost shared services for transaction processes and virtual CoEs for specialized services (e.g., tax and internal audit)

Telecom: Our experience in consolidating and centralizing the functions of our telecommunications clients with built-in variable capacity to meet business requirements helps us deliver business value. With end-to-end BPM services, our solutions are designed to enable telecom companies to transform their value chain while tackling myriad challenges. Our solutions are designed to deliver business value through the right mix of analytics, technology, domain and process expertise that enable our clients to achieve cost efficiencies and drive sustainable growth strategies.

The following table illustrates the key areas of services that we provide to clients in this business unit:

Telecommunications—Service Offerings

<u>Customer Acquisition</u>	<u>Order Provisioning and Order Management</u>	<u>Operations and Customer Relationship Management (“CRM”)</u>	<u>Global Back-office Solutions</u>
Lead generation, outbound sales, sales analytics, cross-selling and up-selling analytics, contract administration	New products and services, service delivery process creation, order provisioning, technical validation and support, rejected order tracking, multi-vendor tracking, order tracking, proactive order management, billing, data management (e.g. forms and administration)	Inbound customer interaction services, logging and monitoring service requests, directory publishing, churn analysis and support, usage analytics, CRM analytics, collection analytics, web correspondence	Simplified, shared global self-service organization model with local business partners for finance and accounting, human resources or indirect procurement; end-to-end low cost shared services for transaction processes and virtual CoEs for specialized services (e.g., tax and internal audit)



Utilities

We are a leading utilities BPM service provider, with deep domain expertise in the management of customer needs across the entire utilities value chain - generation, transmission and distribution. We work with utilities companies globally in the residential, industrial, and small and medium enterprise (“SME”) segments for both prepaid and post-paid metered products.

The key energy and utilities industry sectors we serve include:

- Oil and gas;
- Electricity;
- Water; and
- Renewable energy.

As at March 31, 2017, we had 3,707 employees working in this business unit. In fiscal 2017 and 2016, this business unit accounted for 9.3% and 10.2% of our revenue, and 9.7% and 10.8% of our revenue less repair payments (non-GAAP), respectively.

We are a strategic outsourcing provider for clients from the US, the UK and Asia-Pacific regions supporting business-to-customer and business-to-business customer segments across our suite of end-to-end meter-to-cash customer management services (including customer acquisition and management, billing and metering, payment processing, credit and collections) - all supported by our analytics expertise. We have capabilities to support clients across processes in oil and gas downstream, electricity distribution, asset management, FAO services in utilities and oil and gas, debt management and other enabling services such as meter reading, bill printing and digital support services (including smart metering). We offer platform integration, application integration, data integration, process integration, component integration, and system integration capabilities to enhance process management through technology-enabled platforms. We also work with clients to offer detailed multi-channel provisioning and social media analytics, such as data mining of structured and unstructured data, and speech and text analysis, with a view to increase customer satisfaction and improve collection rates.

The following table illustrates the key areas of services that we provide to clients in this business unit:

		<u>Utilities</u>		
<u>Meter-to-Cash Revenue Cycle Operations</u>	<u>Customer Management</u>	<u>Supply Chain Management & Procurement</u>	<u>IT Solutions</u>	<u>Research and Analytics</u>
Customer billing, dispute resolution, exception handling, prepaid account management, billing of unmetered services, credit and collections, payment services, tariff plans, renewals, home move processing	Customer acquisitions, customer retention, customer enhancement, cross- selling / up-selling, customer care – queries, correspondence, asset management	eSourcing, vendor rationalization, supplier management, procurement optimization, sourcing, support, procure-to-pay (“P2P”) transaction, supply chain analytics	Document control and digitization, master data management, enterprise resource planning (“ERP”) implementation and support, meter-to-cash – business-process-as-a-service, robotics – automation, workflow, support for SAP implementations, BPaaS platform solutions for meter-to-cash (“M2C”)	Data mining, decision support services, collections optimizations, customer analytics – segmentation, lifetime value analysis, net promoter score (“NPS”) analysis, predictive analytics, text analytics
	<u>Finance & Accounting</u>	<u>Shared Services</u>		<u>Human Resource Management</u>
Order-to-cash, financial analysis, procure-to-pay, accounts receivable / payable, joint venture accounting, royalty accounting, contract accounting services specific to utilities and oil and gas industries		Administration support and payroll services		



Consulting and Professional Services

Our consulting and professional services (“CPS”) business unit has a strong India presence coupled with global delivery capabilities, which allows us to serve a diverse and large global client base.

Our CPS business unit offers an array of services to a range of client sectors in consulting and professional services. These sectors include:

- Content and information publishers;
- Research and consulting firms;
- Real estate service firms;
- Executive search firms;
- Market research firms;
- Marketing service providers; and
- Legal services firms.

As at March 31, 2017, we had 1,490 employees in the business unit. In fiscal 2017 and 2016, this business unit accounted for 6.9% and 7.8% of our revenue and 7.2% and 8.2% revenue less repair payments (non-GAAP), respectively.

We provide a wide range of services from complex business and financial research and analytics to very simple data management operations. Besides providing shared services support to our clients such as finance and accounting, human resource management, customer support and IT and infrastructure management, we provide the following domain-specific services:

Consulting and Professional Services—Service Offerings

<u>Content & Information Publishers</u>	<u>Research and Consulting Firms</u>	<u>Real Estate Services Firms</u>	<u>Executive Search Firms</u>
Content sourcing, indexing / tagging, analysis & product creation, content management, including design and production services for digital / print products	Opportunity assessment, sector / thematic research, target screening, company analysis, including financial modeling, competitive intelligence and benchmarking	Strategy support, sales and marketing support, business research, survey management support, end-to-end conveyancing process, lease preparation & abstraction, contract management	Pitch book support, industry and company research, database clean-up, update and management, name identification, business executive support
<u>Market Research Firms</u>	<u>Marketing Service Providers</u>	<u>Legal Services Firms</u>	
<i>End-to-end research operations support:</i> research design, project management, survey programming, data collection, coding, data processing, data analytics and presentation	Industry, company & product research support, market research operations, market research analytics, shopper & CRM analytics, web / digital analytics, 24/7 data management production support, digital content management and production support (designing & development)	Legal support, legal and business research, digital dictation transcription, pitch support, accounts payables & general ledger, employee data management and payroll	



Healthcare

We deliver end-to-end BPM services across the healthcare industry value chain. We offer health information management, coding (including current procedural technology and ICD-9 codes for international statistical classification of diseases and related health problems), marketing analytics and data analytics for pharma, Medicare and medical claim processing, revenue- management related processes, and Health Insurance Portability and Accountability Act (“HIPAA”) compliance support.

The healthcare industry segments that we serve include:

- Durable medical equipment manufacturers;
- Health insurance companies;
- Healthcare provider practices and hospitals;
- Pharmaceutical and biotech companies; and
- Third-party administrators.

Our recent acquisitions of Value Edge and HealthHelp have considerably strengthened our end-to-end healthcare capabilities and services in the BPM industry. Value Edge strongly positions us in the pharmaceutical and biopharmaceutical industry with research and analytics expertise to support drug development and commercial services. HealthHelp positions us as a strategic provider helping healthcare insurance companies deliver affordable and improved care management through its analytics-based and medical-content rules driven platform which provides an alternative to traditional care management outsourcing.

As at March 31, 2017, we had 2,582 employees in this business unit. In fiscal 2017 and 2016, this business unit accounted for 6.8% and 5.2% of our revenue and 7.1% and 5.5% of our revenue less repair payments (non-GAAP), respectively.

The following table illustrates the key areas of services that we provide to client segments in this business unit:

	<u>Healthcare—Service Offerings</u>			
<u>Providers</u>	<u>Payer</u>	<u>Durable Medical Equipment Manufacturers</u>	<u>Enterprise Shared Services</u>	<u>Pharmaceutical and Consumer Health</u>
Revenue cycle management, medical coding, bill preparation, receivables management, payment posting, debt analysis	Claims administration, member and provider services, clinical support, overpayment recovery, fraud detection and investigation, utilization management services (i.e., optimizing the payer healthcare spend on areas such as tests and procedures without compromising the patient care-quality-safety norms)	Billing and submissions, fulfillment support, collections, patient services, collection analytics	Finance and accounting, workflow / platforms, research and analytics (knowledge process outsourcing), technology solutions, front-end / mailroom, customer interaction services	Competitive intelligence, pipeline analysis, product profiling, key performance indicators (“KPI”) reporting, epidemiology analysis, market opportunity assessment, social media analysis, key opinion leader (“KOL”) research, modeling and tool building support, pricing analytics, patient data analytics

***Banking and Financial Services***

We perform front and back office and other services for more than 20 banking and financial services clients, including large commercial and retail banks, wholesale and retail lenders, wealth advisors, asset managers, hedge funds and mortgage servicing companies.

We aim to add value to our clients' businesses by improving their customer satisfaction, unlocking cost efficiencies and streamlining processes through technology optimization.

The key banking and financial sectors that we serve include:

- Retail and commercial banking;
- Mortgage and loans;
- Wealth and investment banking;
- Capital markets and asset management;
- Financial advisory firms;
- Financial research and financial market intelligence companies;
- Trade finance; and
- Financial institutions.

As at March 31, 2017, we had 1,584 employees working in this business unit. In fiscal 2017 and 2016, this business unit accounted for 4.4% and 5.5% of our revenue and 4.6% and 5.8% of our revenue less repair payments (non-GAAP), respectively.



The following table illustrates the key areas of services that we provide to clients in this business unit:

Banking and Financial Services—Service Offerings

Retail Banking

Acquisition: Lead generation and deployment, customer behavioral analysis, campaign management, product development / management and support;
On-boarding: Application scanning and indexing, account opening, product application processing, detailed documentation review and verification, underwriting / spend limit assignment, welcome calls;
Maintenance and servicing: Account maintenance, account and general enquiries, customer data maintenance, statement generation, payment processing, funds allocation and return payment processing, complaint handling, funds transfers, remittance, refunds and settlements, billing queries and statement processing
Collections: Collections and recovery, ship tracking, pre-delinquency management, payment plans
Bank Secrecy Act / Anti-Money Laundering: Alert elimination, enhanced due diligence, fraud & cyber-crime, politically exposed personnel and negative news

Commercial Banking

Trade finance: Account opening, bills for collection, export bills negotiation, import bills, letter of credit processing, bank guarantee credit limits;
Credit risk management: Financial spreading, proposal development, reconciliation, credit analysis, collateral management, renewal support, billing and contribution management, audit support;
Cash management: Funds transfer, trade processing, reconciliations, accrual calculations, investigations, payment processing, settlement, reference data management, reporting;
Commercial lending: Account opening, “know your customer,” loan onboarding, documentation, covenant monitoring, billing, statutory accounting;
Treasury services: Cash management, foreign exchange settlements, bill discounting, rates updates, mark to market, margin allocation

Capital Markets

Front office: Financial and business research, investment strategy and modeling, order entry, allocation / rebalancing;
Middle office: Reference data management, cash flow forecasting, risk management, amendments / maintenance of existing data, manual trade allocations, manual trade booking, trade exception / rejection management, trade amendment, trade confirmation, queries handling;
Back office – Accounting: Expense and income processing, securities lending, corporate actions processing, fund accounting / net asset value calculations, financial reporting, settlement follow-up with clients;
Back office – Asset servicing : Clearing and settlement, custody / record keeping, stock transfer, collateral management, transfer agency, claims management;
Back office – Treasury: Cash management, cash forecasting, payment processing, invoicing / billing processing

Mortgage Banking

Originations: Indexing, pre-underwriting checklist, pre-funding audit, correspondent indexing, title commitment, credit evaluation, contact point verification, disbursals;
Servicing: Customer service, loan boarding and set-up, adjustable rate mortgage audit, payments processing, assignments and endorsements, lien release, escrow management / periodic analysis, final documents follow up and audit;
Default servicing: Pre-loss mitigation, foreclosure support, borrower research, operations intake, claims processing, investor reporting, closing and monitoring functions, trial period monitoring (forbearance support), loan modification document preparation;
Secondary markets services: Post close audit, due diligence of acquired packets, documentary fulfillment



The following table illustrates our research and analytics practice focused on banking and financial services:

<u>Retail Banking</u>	<u>Investment Banking</u>	<u>Commercial Banking</u>	<u>Wealth Management</u>	<u>Asset Management</u>
Loans, cards, profitability, attrition, risk, fraud	Mergers and acquisitions (“M&A”), initial public offerings, private placements	Financial statement spreading, credit appraisal, risk ratings, portfolio construction, portfolio measurement, probability of default, loss given default exposure at default prediction models	Current investment reviews, new business, pitch books, CRM support, fund research, portfolio research	Fixed income, equities, investment strategies, portfolio monitoring
Data Mining and Data Management				
Analysis of structured and unstructured data across the banking and finance sector, organization of data for retrieval and analysis				
Reporting, Dash-boarding and Visualization				
Generation and presentation of data-driven insights, communication tools for analysts				
Model Development and Recalibration				
Actionable models for optimization of operations and strategic planning, insights for changing market conditions				



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Shipping and Logistics

We deliver a range of industry-specific business processes across the shipping and logistics industry, in addition to providing services in the areas of finance and accounting, customer interaction services, business technology, procurement and human resources administration. We also offer decision support services in the form of research and analytics. To support our shipping and logistics team, we leverage various enabling tools, technologies and our proprietary digitization platform to deliver high-quality service to our customers.

The key shipping and logistics industry sectors that we serve include:

- Global express and courier companies;
- Ocean sector – non-vessel operating common carrier, ocean liners, ports and terminals and shipping agencies;
- Trucking sector – Less-than-truck load, full truck load, truck rental and leasing, compliance, safety and accountability companies;
- Third and fourth-party logistics; and
- Freight forwarders.



As at March 31, 2017, we had 1,838 employees working in this business unit. In fiscal 2017 and 2016, this business unit accounted for 4.3% and 3.9% of our revenue, and 4.4% and 4.1% of our revenue less repair payments (non-GAAP), respectively.

The following table illustrates the key areas of services provided to clients in this business unit:

Shipping and Logistics						
<u>Sales & Marketing</u>	<u>Customer Service</u>	<u>Document Processing</u>	<u>Operations Support</u>	<u>Finance & Accounting</u>	<u>Research and Analytics</u>	<u>Technology Services</u>
Tariff filing and maintenance, rate quotes, service contract / rate agreement creation and maintenance	Customer file and debtor file administration, customer helpdesk, booking desk-phone, booking desk-e-mail, electronic data interchange / Web, rating	Exports, bill of lading, processing and data entry, advance manifest processing, freight audit, billing and invoicing, vessel closures, imports, import data quality process / checks, arrival notifications, import general manifest filings with customers, delivery order issuance, customers document processing	Vessel schedules – long term support, vessel schedules – coastal, routing module maintenance, hazardous cargo approvals, vendor management – vendor file administration, purchase order / job order creation, gate moves, ship husbanding, stowage planning, bayplan submission and distribution, inbound and outbound trans-shipment, maintenance and repairs, global stock reconciliation, container leasing validation, vessel performance reports, inventory management, chart corrections management, safety and environmental KPI monitoring onshore	Accounts payable, accounts receivables, disbursement accounting, credit and collections, agency reconciliations, general ledger / bank reconciliation, cash reporting and audit / vendor reconciliation, financial management reporting, vendor helpdesk, monthly closing / quarterly / yearly closing, treasury support, agency audits, claims management	Metrics realization & analysis, network design and optimization, transport management, shipping performance management, tonnage analytics, carrier sourcing analytics, fleet analysis and maintenance, corporate management, revenue analytics, reverse logistics analytics	Intranet support, claims management, data hubbing, E-commerce registration, E-learning module content management, E-learning module content creation



Horizontal Units

Customer Interaction Services

We have a strong track record of supporting customer interaction services while focusing on business outcomes. To increase customer loyalty and satisfaction, we offer tailor-made solutions by leveraging our industry-specific expertise, sophisticated technology, analytics-led transformation suite, and omni-channel digital stack supported by a strong talent pool. Customer interaction services are offered across our vertical business units. As at March 31, 2017, we had 12,175 employees in this horizontal unit. In fiscal 2017 and 2016, this horizontal unit accounted for 27.9% and 26.9% of our revenue, and 29.1% and 28.5% of our revenue less repair payments (non-GAAP), respectively.

The following table illustrates the key customer interaction services that we provide:

<u>Services</u>	<u>Customer Interaction Services—Service Offerings</u>	<u>Channels</u>	<u>Languages</u>
Customer acquisition (sales – up-sell or cross-sell, campaign management),	Voice (inbound / outbound), interactive voice response, e-mail, chat, social media, short message service (“SMS”), white mail, fax, ChatBots (virtual assistant)	English, French, Italian, Russian, Spanish, Portuguese, German, Hungarian, Greek, Turkish, Finnish, Dutch, Polish, Swedish, Mandarin, Cantonese, Japanese, Korean, Arabic, Filipino (Tagalog), IsiZulu, IsiXhosa, Afrikaans, and more than 20 regional languages	
Customer retention (complaint management, loyalty program management, customer / guest relations),			
Customer service (account management, transaction processing, billing and payments),			
Collections (early stage, late stage, skip tracing)			
Technical helpdesk (support for query levels “L0” and “L1” - website assistance)			
Digital customer experience management (web chat, social media, content)			
As-a-Service models (quality, training, workforce management)			
Analytics (customer segmentation, loyalty management, sentiment analytics, sales analytics)			

Finance and Accounting

Our finance and accounting service offerings include a full suite of finance and accounting processes, business process re-engineering, and transformation, including automation of finance operations. Finance and accounting services are offered across all our vertical business units.

We have experience in delivering large-scale and complex finance and accounting transformation programs, which include:

- Industry-specific accounting processes such as royalty accounting, fiduciary accounting, revenue recovery management and airline passenger revenue accounting;
- Source-to-pay procurement, including strategic sourcing capabilities such as category management, contract management, vendor management and spend analytics;
- Services across order-to-cash, including order management, supply chain fulfillment support, supply chain management, deductions management, cash application;
- End-to-end processes ranging from simple, transaction-based processes (such as journals and reconciliations) to high-end, judgment-based processes, such as analytics and treasury;
- Global risk and compliance services such as forensics, background screening and digital credit screening;
- Automation suite for accounting activities, including WNS IP best practices, robotics process automations, embedded analytics and reporting under the “CFO TRAC” offerings;
- Business process re-engineering and transformation tools offering such as our “Process Maturity Model,” which allows for objective assessment of processes, technology and people using performance benchmarks that are customized for the industry and size of the company or “ADAPT,” which is our proprietary business process re-engineering methodology;



- Rapid, large-scale transitions;
- Implementation of shared service centers and rationalization of financial systems to optimize and consolidate our clients' information technology platforms; and
- Multi-location, multi-system global finance and accounting consolidation.



As at March 31, 2017, we had 4,844 employees in this horizontal unit. In fiscal 2017 and 2016, this horizontal unit accounted for 20.6% and 18.4% of our revenue, and 21.5% and 19.5% of our revenue less repair payments (non-GAAP), respectively.

The following table illustrates the key finance and accounting services we provide:

Finance and Accounting—Service Offerings

<u>Source-to-Pay</u>	<u>Order-to-Cash</u>	<u>Record-to-Report</u>	<u>Decision Support</u>	<u>Corporate Functions</u>
Sourcing services including strategic sourcing & category management, procurement and administration, invoice / expense processing and payment, accounts payables, accounting and treasury support	Accounts receivables, billing and cash application, order management, credit control, collections and deductions management	General accounting, fixed assets, reconciliations, month-end reporting and consolidation, tax filing and reporting, cost accounting, inter-company accounting, statutory reporting	Budgeting, forecasting, variance analysis, management reporting	Treasury, cash management, financial planning and analysis, tax and compliance, decision support, management accounting
<u>Supply Chain Finance</u>	<u>Industry-specific Accounting</u>	<u>Technology Solutions</u>	<u>Governance, Risk, Compliance and Audit Services</u>	
Product costing, inventory accounting, manufacturing accounting, supply chain analytics, supply chain fulfillment support	Passenger revenue accounting, revenue audit and recovery, claims management, loan account maintenance, royalty accounting, fiduciary accounting, trip records, freight and fuel charges accounting, cost accounting, franchise accounting, meter reading, pre-payment billing, disbursement accounting	<i>Enterprise resource planning (“ERP”)</i> : Implementation, hosting, optimization; <i>Bolt-on tools</i> : Reconciliations, reporting, workbench, query management, web portal; <i>Enablers</i> : Mailroom solution, workflow	Governance consulting, risk analytics services, compliance services and audit services	

Proprietary Platform:

- Proprietary platform-based service offerings include: “CFO TRAC – Finance and Accounting Automation Suite” brand umbrella, and “Xponential — The ERP Card Solution™,” a part of our BizAps Procure-to-Pay (P2P) solutions brand umbrella

Our recent acquisition of Denali further strengthened our services across source-to-pay, including strategic sourcing, category management, spend analytics, contract management, catalog (demand management), global procurement, end-to-end accounts payable, industry-specific accounts payable, treasury and accounting support activities.



Research and Analytics

With more than 2,400 employees, our research and analytics practice helps more than 100 global clients make critical business decisions with data-driven insights. We combine our consultative approach with deep domain knowledge and advanced analytics to provide decision support to our clients. Our practice endeavors to support clients with customized big data, machine learning, artificial intelligence, social media analytics and advanced analytics solutions for digital transformation, better customer understanding, improved marketing efficiencies, risk reduction, and insights generation to optimize operations.

Our industry analytics portfolio spans various verticals, including retail and CPG, retail, hospitality, travel, banking and insurance, utilities and other emerging industries.

Our integrated business analytics services provide focused solutions to clients and seek to create long-term business value. We employ suitable tools and techniques based on the business context to generate actionable insights, focus on operational goals of quality and efficiency, and aid transformational initiatives. Our “Data Sciences Group”- a specialized research and development-focused unit comprising data scientists and leading analytics experts, develops cutting-edge products, solutions and capabilities with the view to enhance our clients’ returns on their analytics investments.

As at March 31, 2017, we had 2,405 employees in this horizontal unit. In fiscal 2017 and 2016, this horizontal unit accounted for 13.3% and 12.4% of our revenue, and 13.8% and 13.1% of our revenue less repair payments (non-GAAP), respectively.

The following illustrates the key research and analytics products and services:

WNS “IDEA (Interactive Data Enabled Analytics)” is a suite of domain-specific products that are designed to help clients optimize their results and outperform their competitors. It leverages our domain-focused intellectual property, deep market understanding (gained from the extensive and varied engagements undertaken for multiple clients) and technology prowess. Comprehensive set of industry specific key metrics / KPIs are pre-built in the IDEA suite and more specific metrics can be added based on client requirements.

<u>Product Name</u>	<u>Industry Served</u>
Fare Audit Analytics Suite	Airlines
Contact Center Insights	Contact center (all industries)
Bookings Analysis Suite	Shipping and logistics
Broker Analytics Insights Suite	Insurance
Pharma Sales Insights Suite	Pharmaceutical

“SocioSEER™” is our proprietary big data analytics platform that lets organizations create brand advantage by harnessing the power of social media. SocioSEER™ combines machine learning and deep domain expertise to help brands proactively manage and outperform their stated goals around brand health, customer centricity and topline growth. The solution is built on a scalable, open source tech stack that uses WNS proprietary RE.CO.IN methodology along with proprietary algorithms.

“Brandttitude™” is a cloud-based analytical market intelligence product to track brand performance and perceptions over multiple dimensions across varied data sources to help clients take informed decisions. The product is built using open source technologies on a scalable data harmonization platform.



Analytics Consulting

Analytics maturity consulting, data maturity consulting, model validation, partnership evaluation, model conversations, visualization needs assessment, digital transformation, big data consulting

Data and Visualization Services

Data stitching and analysis, reports and dashboards, visualization tools, data cleansing and aggregation

Insurance Analytics

Claims analytics, subrogation analytics, fraud analytics, customer analytics

Utilities Analytics

Data mining, decision support services, collections optimizations, customer analytics – segmentation, lifetime value analysis, NPS analysis, predictive analytics, text analytics

Research and Analytics—Service Offerings

Marketing Analytics

Customer analytics, campaign management and loyalty analytics, sales analytics, market / media mix modeling, market research analytics, pricing analytics, personalization, social media analytics

Research

Business research: Strategic marketing intelligence, competitive research;

Financial research: Credit research, equity research, M&A research, fixed income research

Market research: Survey programming and web surveys

Domain-based Analytics
Travel & Leisure Analytics

Loyalty analytics, customer interaction service analytics, commercial intelligence, flight operations, pricing and revenue management

Shipping & Logistics Analytics

Metrics realization and analysis, network design and optimization, transport management, shipping performance management, tonnage analytics, carrier sourcing analytics, fleet analysis and maintenance, corporate management, revenue analytics, reverse logistics analytics

Digital Analytics

Social media analytics, web analytics, text mining

Financial Analytics

Actuarial analytics, collections analytics, budgeting and forecasting, balance sheet analytics, working capital analytics

Banking & Financial Analytics

Data Mining and Data Management: Analysis of structured and unstructured data across the banking and finance sector, organization of data for retrieval and analysis

Reporting, Dash-boarding and Visualization: Generation and presentation of data-driven insights, communication tools for analysts

Model Development and Recalibration: Actionable models for optimization of operations and strategic planning, insights for changing market conditions

Healthcare (Pharma & Consumer Health) Analytics

Competitive intelligence, pipeline analysis, product profiling, KPI reporting, epidemiology analysis, market opportunity assessment, social media analysis, KOL research, modeling and tool building support, pricing analytics, patient data analytics



Technology Services

With a view to consolidate our technology offerings further, we recently launched “WNS TRAC™,” our next-generation suite of BPM enablement technology solutions empowered by robotics, including digital automation, analytics and cloud.

WNS TRAC™ is differentiated by our deep domain expertise in strategic verticals and process know-how in key horizontal domains to equip us with an ability to understand and identify suitable technology for our clients’ businesses outcomes. The WNS TRAC™ solutions are available in the form of (a) all-inclusive and comprehensive enterprise platforms that are a combination of own IP with key partner products and (b) as plug and play solutions that seamlessly integrate with client’s existing technology environment without the need for a complete overhaul. Also, the solutions are pre-configured with best practices and industrialized accelerators to drive implementation around social, mobility, analytics, cloud, robotics and digital automation, including RPA – with a host of deployment options and commercial models to choose from.

From consulting to application management and operations, WNS TRAC™ drives seamless technology deployment across the business process lifecycle with the view to achieve sustained growth and profitability.

As at March 31, 2017, we had 218 employees in this horizontal unit. In fiscal 2017 and 2016, this horizontal unit accounted for 1.5% and 1.4% of our revenue, and 1.6% and 1.4% of our revenue less repair payments (non-GAAP), respectively.

The following table illustrates our industry-specific and cross-industry solutions available as part of WNS TRAC™:

WNS TRAC™					
Industry-specific solutions					
<u>Travel</u>	<u>Insurance</u>	<u>Healthcare</u>	<u>S&L</u>	<u>Utilities</u>	<u>CPG & Retail</u>
<ul style="list-style-type: none"> • Verifare • SmartPro • Qbay • RePax • Commercial planning suite 	<ul style="list-style-type: none"> • Policy administration • Broker connect • eAdjudicator • Actuarial proprietary platform 	<ul style="list-style-type: none"> • Order-to-cash (“O2C”) for medical device manufacturing • Electronic health records and advanced analytics • Fraud detection for payers 	<ul style="list-style-type: none"> • Shipping document lifecycle management • Billing transformation and analytics 	<ul style="list-style-type: none"> • Meter-to-cash solution • Front-office digital transformation • SMART automation and analytics 	<ul style="list-style-type: none"> • Demand-driven supply chain solutions • All channel solutions • Deductions and warranty management

WNS TRAC™			
Cross-industry solutions			
<u>Solutions for Chief Financial Officers</u>	<u>Solutions for Chief Procurement Officers</u>	<u>Robotics & Digital Automation</u>	<u>Customer Interaction Services</u>
<ul style="list-style-type: none"> • WNS P2P solution • WNS O2C solution • WNS record-to-report solution • Reporting and analytics 	<ul style="list-style-type: none"> • WNS source-to-pay solutions • WNS Procurement Card (“P-Card”) solution • WNS supplier portal • WNS spend analytics 	<ul style="list-style-type: none"> • Robotics • Digital automation, including cognitive tech, machine learning, predictive modeling 	<ul style="list-style-type: none"> • Self-service solutions • Agent assist (digital and social engagement) • Interaction and text analytics



Sales and Marketing

The sales cycle for business process management services can be time-consuming and complex in nature. The extended sales cycle generally includes initiating client contact, submitting requests for information and requests for proposals for client business, hosting client visits to our delivery centers, performing analysis (including diagnostic studies and conducting pilot implementations) to demonstrate our delivery capabilities. Due to the complex nature of the sales cycle, we have aligned our sales teams to our vertical business units and staffed them with hunting, or new sales, professionals, as well as farming, or client relationship, professionals. Our hunters and farmers have specialized industry knowledge and experience, which enable them to better understand prospective and existing client’s business needs and to offer appropriate domain-specific solutions.

Our sales and sales support professionals are based in Australia, Dubai, Eastern Europe, India, Singapore, South Africa, the UK and the US. Our sales teams work closely with our global sales support team, which provides critical analytical support throughout the sales cycle. Other key functions provided by our sales support team include generating leads for potential business opportunities and telephone sales support. As at March 31, 2017, our front-line sales teams consisted of 86 members including hunters and farmers. Our front-line sales teams are responsible for identifying and initiating discussions with prospective clients, and selling services in new areas to existing clients. We assign dedicated client partners and / or account managers to our key clients. These managers work with their clients daily at the client locations. They also are the conduit to our service delivery teams addressing clients’ needs. More importantly, by leveraging their detailed understanding of the client’s business and outsourcing objectives gained through this close interaction, our existing clients and account managers actively identify and target additional processes that can be outsourced to us. Through this methodology, we have developed a strong track record of increasing our sales to existing clients over time.

Clients

As at March 31, 2017, we had a diverse client base of 349 clients across a variety of industries and process types, including companies that we believe are among the leading players in their respective industries.

We believe the diversity in our client profile differentiates us from our competitors. See “Part I — Item 5. Operating and Financial Review and Prospects — Revenue” for additional information on our client base.

The table below sets forth the number of our clients by revenue for the periods indicated. We believe that the large number of clients who generate more than \$1 million of annual revenue indicates our ability to extend the depth of our relationships with existing clients over time.

	<u>Year ended March 31,</u>	
	<u>2017</u>	<u>2016</u>
Below \$1.0 million	248	211
\$1.0 million to \$5.0 million	76	61
\$5.0 million to \$10.0 million	14	19
More than \$10.0 million	11	11



Competition

Competition in the business process management services industry is intense and growing steadily. See “Part I — Item 3. Key Information — D. Risk Factors — Risks Related to Our Business — We face competition from onshore and offshore business process management companies and from information technology companies that also offer business process management services. Our clients may also choose to run their business processes themselves, either in their home countries or through captive units located offshore.”

We compete primarily with:

- Focused BPM service companies with presence in offshore locations (primarily India), such as EXL Service Holdings, Inc., Firstsource Solutions Limited and Genpact Limited;
- BPM divisions of numerous information technology service companies operating out of India, such as Cognizant Technology Solutions, Infosys Technologies Limited, Tata Consultancy Services Limited and Wipro Technologies Limited;
- Global companies such as Accenture Limited, Electronic Data Systems Corporation, a division of Hewlett-Packard, and International Business Machines Corporation, which provide an array of products and services, including broad-based information technology, software, consulting and business process outsourcing services; and
- Global financial services and consulting firms such as Deloitte Private Limited, industry-focused niche technology players such as InterGlobe Enterprises and Accelya, and specialty analytics service providers such as Mu Sigma Inc.

In addition, departments of certain companies may choose to perform their business processes in-house, in some cases via an owned and operated facility in an offshore location such as India. Their employees provide these services as part of their regular business operations.

Intellectual Property

We use a combination of our clients’ software systems, third party software platforms and systems and our own proprietary software platforms and systems to provide our BPM and technology services. Our proprietary solutions and licensed software allows us to market our services as integrated solutions under WNS TRAC™ that combine technology solutions together with our core BPM service offerings. Our principal proprietary software solutions include: –

- (1) WNS TRAC™ Travel technology solutions, including a revenue accounting platform and a fare audit platform, which we use in our travel and leisure business unit;
- (2) WNS Auto Claims software platform, which we use in WNS Assistance;
- (3) WNS TRAC™ Insurance technology solutions, including “iPAS” and “eAdjudicator,” which we use in our insurance business unit;
- (4) WNS TRAC™ Finance and Accounting solutions, including proprietary software, point solutions and platform solutions developed on third party software that we use in our finance and accounting services; and
- (5) WNS TRAC™ Robotics and Digital Transformation solutions, including our proprietary solutions and solutions developed on third party software, for delivering automation and transformation services to our clients.

We customarily enter into licensing and non-disclosure agreements with our clients with respect to the use of their software platforms and systems. We maintain intellectual property rights in our proprietary software platforms and systems, and license the use of third party software platforms and systems from their respective owners. Under our contracts with third-party software platform providers, any solutions developed by us on top of such third party software platforms, using our domain knowledge, are our intellectual property (unless qualified otherwise). Our client contracts usually provide that all customized intellectual property created specifically for the use of our clients will be assigned to them, unless it is clearly identified as our intellectual property.

Our employees are also required to sign confidentiality agreements as a condition to their employment. These agreements include confidentiality undertakings regarding our company’s and the client’s intellectual property that bind our employees even after they cease to work with us. These agreements also ensure that all intellectual property created or developed by our employees in the course of their employment is assigned to us.

We have registered the trademark “WNS,” “WNS-Extending Your Enterprise” and “WNS TRAC” in most of the countries where we have global presence.



Technology

We have a dedicated team of technology experts who support clients at every stage of their engagement with us. The team designs, executes and supports technology solutions to enable delivery of business processes for our customers.

Wide-area-network — We have designed and built a highly redundant and resilient global multi-protocol label switching (“MPLS”) network, connecting all of our delivery centers to our points of presence in the US and UK. We run data, voice and video services on this global MPLS network to serve customers.

Customer interaction services technology infrastructure — We have deployed omni-channel capable contact center platforms comprising voice, web chat, email, social media, and interactive voice response across all our delivery centers, delivering customer experience through customer interaction services. These customized platforms orchestrate omni-channel customer journeys across digital channels including self-service and payment card industry data security standard compliance

Data centers — We have set up a highly secure, redundant, state of art data center for hosting our omni-channel contact center platform, automation tools for servicing our clients and our corporate infrastructure services.

Technology service management methodology — Our technology service management and delivery is based on an information technology infrastructure library framework. We manage over 200 clients for technology implementation, service delivery and support for end user computing, network, telecommunications, IT security and systems technology platforms.

Process and Quality Assurance and Risk Management

Our Transformation Quality and Quality Assurance programs are critical for the success of our operations. We have an independent Quality Assurance team to monitor, analyze, and provide feedback, as well as report process performance and compliance. Our company-wide quality management system focuses on effectively managing our client processes on an ongoing basis. Our process delivery is managed by independent empowered teams and is measured regularly against pre-defined operational metrics. We have over 1,000 employees in our Quality Assurance team who help us meet ISO 9001 standards for quality management systems and ensure continued compliance. As part of our Transformation Quality program, we apply Lean Six Sigma methodologies, which are statistical and process-focused methodologies to improve and deliver consistent quality across processes. We apply well-defined quality management principles to improve our levels of service quality to our clients. In fiscal 2017, more than 430 different projects were completed using Lean Six Sigma methodologies.

We have been honored with the following awards for our achievements in quality assurance in fiscal 2017:

- National Quality Excellence Award for:
 - Best Business Process Excellence Program
 - Best Quality Assurance Management Program in the Travel sector
- World Quality Congress Award for Best Six Sigma Project in the Travel sector
- Golden Star Six Sigma Award for Best use of Six Sigma in Customer Service
- Golden Peacock National Quality Award – 2016
- 2nd SLASSCOM Award 2016 for Excellence in Quality Management

Our Board of Directors is primarily responsible for overseeing our risk management processes. The Board of Directors receives and reviews reports from the Head of Risk Management and Audit as considered appropriate regarding our company’s assessment of risks. The Board of Directors focuses on the most significant risks facing our company and our company’s general risk management strategy, and also ensures that risks undertaken by our company are consistent with the Board’s appetite for risk.

Our risk management framework also focuses on three important elements: business continuity planning, information security and operations risk management.

Our approach to business continuity planning involves implementation of an organization-wide business continuity management framework which includes continual self-assessment, strategy formulation, execution and review. Our business continuity strategy leverages our expanding network of delivery centers for operational and technological risk mitigation in the event of a disaster. To manage our business continuity planning program, we employ a dedicated team of experienced professionals. A customized business continuity strategy is developed for key clients, depending on their specific requirements. For mission-critical processes, operations are typically split across multiple delivery centers in accordance with client-approved customized business continuity plans.





Our approach to information security involves implementation of an organization-wide information security management system, which complies with the ISO 27001:2013 to manage organizational information security risks. These measures seek to ensure that sensitive information pertaining to our company or our clients remains secure. Currently, information security systems at 34 delivery centers are ISO 27001:2013 certified, and we expect to seek similar certifications for our newer delivery centers. We also comply with the Payment Card Industry Data Security Standard (“PCI DSS”) which is a security standard aimed at helping companies proactively protect cardholder data and sensitive authentication data. In addition, we also undergo Statement on Standards for Attestation Engagements No. 16 / International Standard on Assurance Engagements (“ISAE”) No. 3402, “Reporting on Controls at a Service Organization (“SOC”) 1 Type 2” audits with respect to our general control environment supporting operational delivery and with respect to security, availability and confidentiality in accordance with ISAE on an annual basis.

Our approach to operations risk management involves the implementation of a “three lines of defense” framework for our clients’ offshored business processes. Under this framework, the quality assurance teams embedded within the business units act as the first line of defense, an independent and centralized risk management team acts as the second line of defense and client-end internal audit teams act as the third line of defense. Our lines of defense are designed to identify potential risks, evaluate design efficiency and operating effectiveness of controls embedded within the outsourced business processes that we manage for our clients, and propose additional controls as appropriate for mitigation of the identified risks.

In addition, our clients may be governed by regulations specific to their industries or in the jurisdictions where they operate or where their customers are domiciled which may require them to comply with certain process-specific requirements. As we serve a large number of clients globally and across various industries, we rely on our clients to identify the process-specific compliance requirements and the measures that must be implemented in order to comply with their regulatory obligations. We assist our clients to maintain and enforce compliance in their business processes by implementing control and monitoring procedures and providing training to our employees serving specific client programs. These control and monitoring procedures are separate from and in addition to our periodic internal audits.

Human Capital

As at March 31, 2017, we had 33,968 employees, of which 21 are based in Australia, 274 are based in China, 137 are based in Costa Rica, one is based in Denmark, 10 are based in France, 7 are based in Germany, 21,480 are based in India, 4,946 are based in the Philippines, 193 are based in Poland, 434 are based in Romania, one is based in Singapore, 4,343 are based in South Africa, 840 are based in Sri Lanka, 6 are based in Turkey, one is based in the United Arab Emirates, 467 are based in the UK and 807 are based in the US. Most of our associates hold university degrees. As at March 31, 2016 and 2015, we had 32,388 and 28,890 employees, respectively. Our employees are not unionized. We believe that our employee relations are good. We focus heavily on recruiting, training and retaining our employees.

Recruiting and Retention

We believe that talent acquisition is an integral part our overall organizational strategy. We have developed effective human resource strategies and demonstrated a strong track record in recruitment specific to the needs of our business units to optimize the training and development of our employees. As we continue to grow, we look to improve and enhance our candidate pool, which is sourced from recruitment agencies, job portals, advertisements, college campuses (where we focus on recruiting talented individuals) and walk-in applications. In addition, a significant number of our applicants are referred to us by existing employees. We recruit an average of 1,653 employees per month.

During fiscal 2017, 2016 and 2015, the attrition rate for our employees who had completed six months of employment with us was 34%.

Training and Development

We devote significant resources to the training and development of our associates. Our training typically covers modules in leadership and client processes, including the functional aspects of client processes such as quality and transfer. Training for new associates may also include behavioral and process training as well as cultural, voice and accent training, as required by our clients.



We have established the WNS Learning Academy, where we offer specialized skills development, such as leadership and management development, skills and behavioral programs for employees across all levels. The WNS Learning Academy is staffed with over 35 full-time trainers content designers and e-learning developers. We customize our training programs according to the nature of the client’s business, the country in which the client operates and the services the client requires. Further, the WNS Learning Academy has an in-house e-learning unit which creates computer or web-based learning modules to support ongoing learning and development.

Since the launch of the WNS Learning Academy, we have made significant efforts to improve the learning and development of our supervisory, management and leadership teams, which is visible through focused learning initiatives targeted at employees with specific job roles and based upon current and future business competency requirements. Our learning initiatives include, among others, the following:

- A five-day leadership program, implemented in 2008, with a 60-90 day action learning project focused on professional and leadership skills and process improvement for over 2,000 team leaders and managers;
- Educational opportunities through tie-ups with leading institutions, such as the Narsee Monjee Institute of Management Studies and NIIT University;
- “Train the Trainer” programs, in which master trainers visit our various locations to conduct training sessions;
- The ongoing expansion of our virtual domain university for each business unit, which we intend to serve as a one stop solution for domain knowledge; and
- Diversity and cross-cultural understanding training initiatives.

Through these learning initiatives and others, we are addressing developmental and functional needs at the junior management level, leadership and sales focus at the middle management level and business and strategic development at the senior leadership level. Our goal is to consolidate, build and share intellectual property and business knowledge throughout our organization, which we believe will benefit us, as well as our clients, in the long run.

Further, in connection with our focus on institutionalizing talent identification, succession planning and talent development frameworks, the WNS Learning Academy is involved with the design and implementation of talent development roadmaps that are designed to help us organically build leaders for the future and develop clear succession plans. We plan to achieve this through the design and roll-out of customized individual development plans, as well as specialized training programs run for groups of employees at similar stages of career development or in similar roles, which we call “clustered interventions.”

In order to keep pace with the ever-changing global business environment, we recognize that there is a strong need to focus on consolidating, building and sharing our domain knowledge. Hence, in fiscal 2015, we set up a virtual domain university for certain vertical business units such as finance and accounting, banking and financial services, travel, diversified businesses, and shipping and logistics. The university serves as repository for domain knowledge that is accessible virtually by our employees. The university was established to assist us in retaining and building our domain knowledge for our business units, and we intend to continue to expand its offerings to cover each of our business units. It is expected to benefit us as well as our clients in the long run. In the past fiscal year, we have collaborated with Lynda.com (a LinkedIn company), a leading provider of learning solutions, to provide our employees the opportunity of self-paced learning. We have also introduced video-based learning that uses videos provided by Lynda.com for employees, which can be accessed through their mobile phones.

Other Development Initiatives

Diversity and inclusion — As we increase our global presence, we believe it is important to grow and foster an inclusive and diverse business environment, and therefore we seek to equip our managers with the skills required to collaborate, manage and lead in a diverse global environment. Our learning and development team is proactively designing training materials related to diversity and cross-cultural understanding in order to groom successful managers who have a global mindset and the necessary soft skills to function effectively in a diverse environment. We believe that skills such as good communication and cultural adaptability and understanding are essential in the workplace. Therefore, we aim to instill in our global managers an awareness of, and an appreciation for, the differences among the cultures with which they do business and to provide them the techniques and support they need to succeed.



Representatives of the learning and development team are also involved in feasibility studies for potential new locations from a talent availability point of view. To improve our reach, we are increasingly deploying blended learning solutions via video-based and e-learning to reach our managers globally. We have also collaborated with an external e-learning provider to assist in providing appropriate and relevant online training materials while keeping in mind our organizational goals. Our continued focus on e-learning has helped us in reducing costs associated with training as the costs associated with online products on a per person, per hour basis, are significantly less than the costs associated with training in the physical classroom. We were recognized in 2013 as the “Global L&D Team of the Year” at the 5th TISS Leap Vault CLO Summit India and we received the Corporate University Best-in-Class (or CUBIC™) Award. We were also the recipient of the Golden Peacock National Training Award- 2016 in fiscal 2016.

Front line capability building — As an individual advances within an organization, it is important that he or she adds the qualifications and skills required to perform the role and responsibilities to which he or she is assigned. Our Learning Academy focuses on providing new managers the necessary tools to successfully make the transition from employee to business leader. In doing so, our Learning Academy trains new managers on the technical and leadership skills necessary to manage people, understand key drivers of financial performance, provide good customer service and follow our business and shared best practices.

Top Talent development initiatives—We focus on employees identified as top talent via our “WNS performance management system” by building their capability to be future leaders in our company. These initiatives include:

- focusing on leadership pipeline development through programs to develop future-ready leaders in our company;
- investing in top talent individuals identified as “best bets”; and
- providing a support system and learning mechanism to enable the individual to understand, improve and reinvent oneself.

Regulations

Due to the industry and geographic diversity of our operations and services, our operations are subject to a variety of rules and regulations, and several federal and state agencies in Australia, China, Costa Rica, France, Germany, India, Mauritius, the Netherlands, the Philippines, Poland, Romania, Singapore, South Africa, Sri Lanka, Switzerland, United Arab Emirates, the UK and the US that regulate various aspects of our business. See “Part I — Item 3. Key Information — D. Risk Factors — Risks Related to our Business — Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements. Failure to adhere to the laws and regulations that govern our business or our clients’ businesses that we are required to comply with in performing our services could harm our business.” We have benefitted from, and continue to benefit from, certain tax holidays and exemptions in various jurisdictions in which we have operations.

In fiscal 2017, 2016 and 2015, our tax rate in India, the Philippines and Sri Lanka impacted our effective tax rate. We would have incurred approximately \$5.2 million, \$5.0 million and \$3.0 million in additional income tax expense on our combined operations in our SEZ operations in India, the Philippines and Sri Lanka for fiscal 2017, 2016 and 2015, respectively, if the tax holidays or exemptions as described below had not been available for the respective periods.

We expect our tax rate in India, the Philippines and Sri Lanka to continue to impact our effective tax rate. Our tax rate in India has been impacted by the reduction in the tax exemption enjoyed by our delivery center operating under the SEZ scheme, as more fully described below.

India

In the past, the majority of our India operations were eligible to claim income tax exemption with respect to profits earned from export revenue from operating units registered under the STPI. The benefit was available for a period of 10 years from the date of commencement of operations, but not beyond March 31, 2011. Effective April 1, 2011, upon the expiration of this tax exemption, income derived from our operations in India became subject to the prevailing annual tax rate, which is currently, and was in fiscal 2017 and 2016, 34.61%, and was 33.99% in fiscal 2015.

In 2005, the Government of India implemented the SEZ legislation, with the effect that taxable income of new operations established in designated SEZs may be eligible for a 15-year tax holiday scheme consisting of a complete tax holiday for the initial five years and a partial tax holiday for the subsequent ten years, subject to the satisfaction of certain capital investment conditions. Our delivery center located in Gurgaon, India and registered under the SEZ scheme is eligible for a 50.0% income tax exemption from fiscal 2013 to fiscal 2022. During fiscal 2012, we also started operations in delivery centers in Pune, Mumbai and Chennai, India registered under the SEZ scheme, which were, prior to fiscal 2017, eligible for a complete tax holiday but commencing fiscal 2017 to fiscal 2026 are eligible for only a 50.0% income tax exemption. During fiscal 2015, we commenced operations at our new delivery centers in Gurgaon and Pune in India which were registered under the SEZ scheme and are eligible for a 100.0% income tax exemption until fiscal 2019, and a 50.0% income tax exemption from fiscal 2020 to fiscal 2029.



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WNS HOLDINGS LIMITED
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The SEZ legislation has been criticized on economic grounds by the International Monetary Fund and the SEZ legislation may be challenged by certain non-governmental organizations. It is possible that, as a result of such political pressures, the procedure for obtaining benefits under the SEZ legislation may become more onerous, the types of land eligible for SEZ status may be further restricted or the SEZ legislation may be amended or repealed.

In addition to these tax holidays, our Indian subsidiaries are also entitled to certain benefits under relevant state legislation and regulations. These benefits include the preferential allotment of land in industrial areas developed by state agencies, incentives for captive power generation, rebates and waivers in relation to payments for transfer of property and registration (including for purchase or lease of premises) and commercial usage of electricity.

Since fiscal 2008, we have become subject to minimum alternate tax (“MAT”) and we have been required to pay additional taxes. The Government of India, pursuant to the Indian Finance Act, 2011, has also levied MAT on the book profits earned by the SEZ units at the prevailing tax rate, which is currently, and was in fiscal 2017 and 2016, 21.34%, and was 20.96% in fiscal 2015. To the extent MAT paid exceeds the actual tax payable on our taxable income, we would be able to offset such MAT credits from tax payable in the succeeding ten years, subject to the satisfaction of certain conditions. During fiscal 2017, 2016 and 2015, we have offset Nil, \$9.2 million and \$6.4 million, respectively, of our MAT payments for earlier years from our increased tax liability based on our taxable income following the expiry of our tax holiday on STPI effective fiscal 2012.

The Government of India may enact new tax legislation that could impact the way we are taxed in the future. For example, the Government of India has clarified that, with retrospective effect from April 1, 1962, any income accruing or arising directly or indirectly through the transfer of capital assets situated in India will be taxable in India. If any of our transactions are deemed to involve the direct or indirect transfer of a capital asset located in India, such transactions could be investigated by the Indian tax authorities, which could lead to the issuance of tax assessment orders and a material increase in our tax liability. For example, we received requests for information from, and are in discussions with, the relevant income tax authority in India relating to our acquisition in July 2008 from Aviva of all the shares of Aviva Global, which owned subsidiaries with assets in India and Sri Lanka. The Government of India has issued guidelines on the GAAR, which came into effect on April 1, 2017, and which is intended to curb sophisticated tax avoidance. Under the GAAR, a business arrangement will be deemed an “impermissible avoidance arrangement” if the main purpose of the arrangement is to obtain tax benefits. Although the full implications of the GAAR are presently still unclear, if we are deemed to have violated any of its provisions, we may face an increase to our tax liability. However, we do not expect any adverse impact on account of the GAAR. The Government of India has passed the Goods and Service Tax Act (“GST Act”), which is expected to be effective from July 1, 2017. Once effective, the majority of the various existing indirect tax levies would be subsumed by the goods and services tax payable under the GST Act. Based on the current GST law and the draft rules, we do not expect a significant impact on our operations. See “Part I — Item 3. Key Information — D. Risk Factors — Risks Related to Key Delivery Locations — New tax legislation and the results of actions by taxing authorities may have an adverse effect on our operations and our overall tax rate.”

Philippines

Our subsidiary in the Philippines, WNS Global Services Philippines Inc., located in Eastwood Avenue, Manila, was eligible to claim income tax exemption with respect to profits earned from export revenue by our delivery centers registered with the Philippines Economic Zone Authority, which expired in fiscal 2016. During fiscal 2013, we started operations in a delivery center in Techno Plaza II, Manila which was eligible for a tax exemption that expired in fiscal 2017. We intend to apply this year for an extension of this tax exemption until fiscal 2018. During fiscal 2016, we started operations in a delivery center in Iloilo, Manila which is also eligible for a tax exemption that will expire in fiscal 2020. During fiscal 2017, we started operations in additional delivery centers in Iloilo, Manila and Alabang, Philippines which are also eligible for tax exemption that will expire in fiscal 2021. Following the expiry of the tax exemption, income generated by WNS Global Services Philippines Inc. will be taxed at the prevailing special tax rate, which is currently 5.0% on gross margin.

Sri Lanka

Our operations in Sri Lanka are eligible to claim tax exemption under the Sri Lanka Inland Revenue Act for profits earned from export revenue.

Costa Rica

Our subsidiary in Costa Rica is eligible for a 100.0% income tax exemption from fiscal 2010 until fiscal 2017 and a 50.0% income tax exemption from fiscal 2018 to fiscal 2021.



See “Part I — Item 5. Operating and Financial Review and Prospects — Critical Accounting Policies — Income Taxes.”

Enforcement of Civil Liabilities

We are incorporated in Jersey, Channel Islands. Most of our directors and executive officers reside outside of the US. Substantially all of the assets of these persons and substantially all of our assets are located outside the US. As a result, it may not be possible for investors to effect service of process on these persons or us within the US, or to enforce against these persons or us, either inside or outside the US, a judgment obtained in a US court predicated upon the civil liability provisions of the federal securities or other laws of the US or any state thereof. A judgment of a US court is not directly enforceable in Jersey, but constitutes a cause of action which will be enforced by Jersey courts provided that:

- the court which pronounced the judgment has jurisdiction to entertain the case according to the principles recognized by Jersey law with reference to the jurisdiction of the US courts;
- the judgment is given on the merits and is final and conclusive — it cannot be altered by the courts which pronounced it;
- there is payable pursuant to the judgment a sum of money, not being a sum payable in respect of tax or other charges of a like nature or in respect of a fine or other penalty;
- the courts of the US have jurisdiction in the circumstances of the case;
- the judgment can be enforced by execution in the jurisdiction in which the judgment is given;
- the person against whom the judgment is given does not benefit from immunity under the principles of public international law;
- there is no earlier judgment in another court between the same parties on the same issues as are dealt with in the judgment to be enforced;
- the judgment was not obtained by fraud, duress and was not based on a clear mistake of fact; and
- the recognition and enforcement of the judgment is not contrary to public policy in Jersey, including observance of the principles of natural justice which require that documents in the US proceeding were properly served on the defendant and that the defendant was given the right to be heard and represented by counsel in a free and fair trial before an impartial tribunal.

It is the policy of Jersey courts to award compensation for the loss or damage actually sustained by the person to whom the compensation is awarded. Although the award of punitive damages is generally unknown to the Jersey legal system, there is no prohibition on them either by statute or by customary law. Whether a judgment is contrary to public policy depends on the facts of each case. Exorbitant, unconscionable, or excessive awards will generally be contrary to public policy. Moreover, if a US court gives a judgment for multiple damages against a qualifying defendant, the Protection of Trading Interests Act 1980, an Act of the UK extended to Jersey by the Protection of Trading Interests Act 1980 (Jersey) Order 1983 (“the Order”), provides that such judgment would not be enforceable in Jersey and the amount which may be payable by such defendant may be limited. The Order provides, among others, that such qualifying defendant may be able to recover such amount paid by it as represents the excess of such multiple damages over the sum assessed as compensation by the court that gave the judgment. A “qualifying defendant” for these purposes is a citizen of the UK and Colonies, a body corporate incorporated in the UK, Jersey or other territory for whose international relations the UK is responsible or a person carrying on business in Jersey.



Jersey courts cannot enter into the merits of the foreign judgment and cannot act as a court of appeal or review over the foreign courts. It is doubtful whether an original action based on US federal securities laws can be brought before Jersey courts. A plaintiff who is not resident in Jersey may be required to provide security for costs in the event of proceedings being initiated in Jersey. There is uncertainty as to whether the courts of Jersey would:

- recognize or enforce judgments of US courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the US or any state in the US; or
- entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the federal securities laws of the US or any state in the US.

In India, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (India) (the “Civil Code”), as amended. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Indian government has by notification declared to be a reciprocating territory, such foreign judgment may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties and does not include arbitration awards. The US has not been declared by the Indian government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. Accordingly, a judgment of a foreign court, which is not a court in a reciprocating territory, may be enforced in India only by a fresh suit instituted in a court of India and not by proceedings in execution. Furthermore, the execution of the foreign decree under Section 44A of the Civil Code is also subject to the exception under Section 13 of the Civil Code, as discussed below.

Section 13 of the Civil Code, states that a foreign judgment is conclusive as to any matter directly adjudicated upon except:

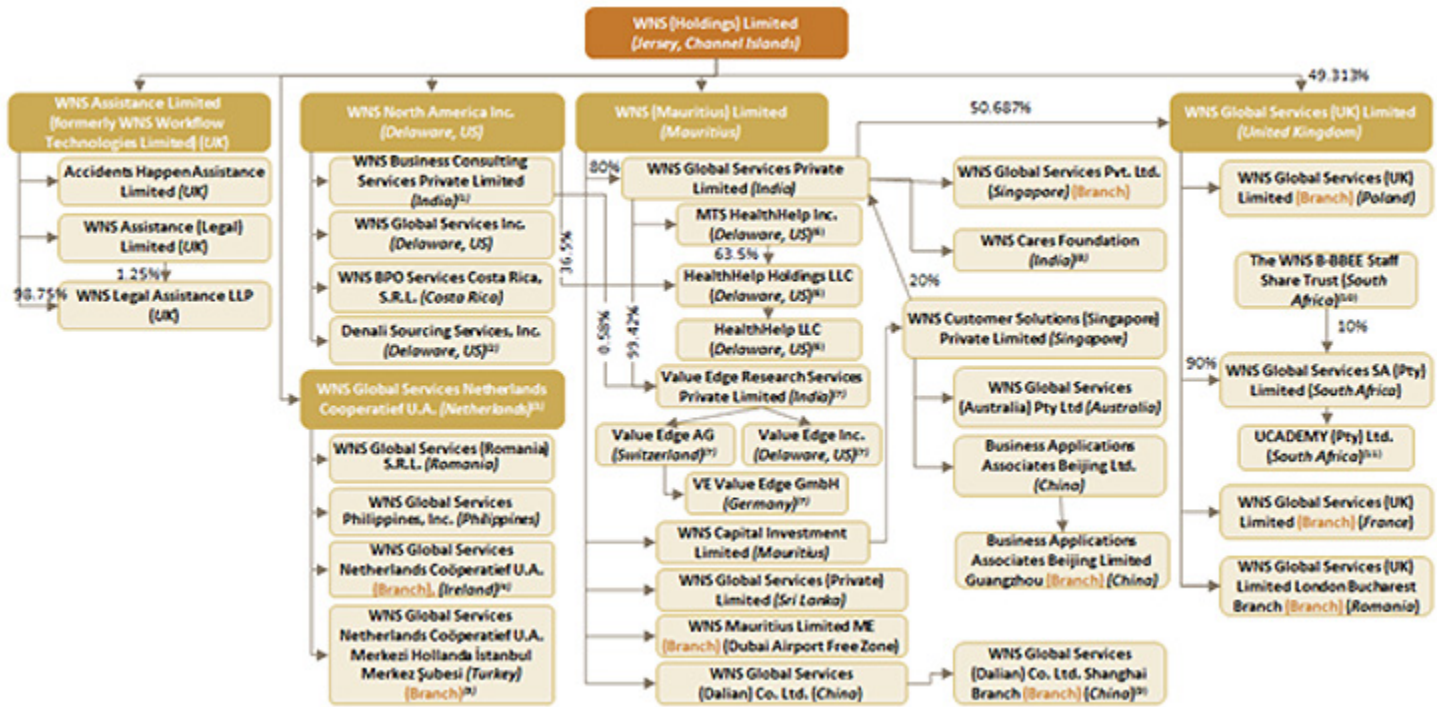
- where the judgment has not been pronounced by a court of competent jurisdiction;
- where the judgment has not been given on the merits of the case;
- where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- where the proceedings in which the judgment was obtained were opposed to natural justice;
- where the judgment has been obtained by fraud; or
- where the judgment sustains a claim founded on a breach of any law in force in India.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India under the Indian Foreign Exchange Management Act, 1999, to repatriate any amount recovered pursuant to such execution and such amount may be subject to tax in accordance with applicable laws. Any judgment in a foreign currency would be converted into Indian rupees on the date of judgment and not on the date of payment. We cannot predict whether a suit brought in a court in India will be disposed of in a timely manner.



C. Organizational Structure

The following diagram illustrates our company’s organizational structure and the place of organization of each of our subsidiaries as of the date hereof. Unless otherwise indicated, each of our subsidiaries is wholly owned, directly or indirectly, by WNS (Holdings) Limited.



Notes:

- All the shares except one share of WNS Business Consulting Services Private Limited are held by WNS North America Inc. The remaining one share is held by a nominee shareholder on behalf of WNS North America Inc. to satisfy the regulatory requirement to have a minimum of two shareholders.
- We acquired Denali Sourcing Services Inc. in January 2017.
- WNS (Holdings) Limited has made a 99.99% capital contribution in WNS Global Services Netherlands Cooperatief U.A., (the “Co-op”). The remaining 0.01% capital contribution in the Co-op was made by WNS North America Inc. to satisfy the regulatory requirement to have a minimum of two members.
- WNS Global Services Netherlands Cooperatief U.A (Ireland Branch) was formed on December 13, 2016 and is a branch of WNS Global Services Netherlands Cooperatief U.A.
- WNS Global Services Netherlands Cooperatief U.A. Merkezi Hollanda Istanbul Merkez Subesi (Turkey Branch) was formed on December 30, 2016 and is a branch of WNS Global Services Netherlands Cooperatief U.A.
- We acquired MTS HealthHelp Inc. and its subsidiaries (HealthHelp Holdings LLC and HealthHelp LLC) in March 2017.
- We acquired Value Edge Research Services Private Limited and its wholly owned subsidiaries, Value Edge Inc., Value Edge AG and VE Value Edge GmbH in June 2016.
- WNS Cares Foundation is a “not for profit organization” registered under the former Section 25 of the Indian Companies Act, 1956 (which has become Section 8 of the Indian Companies Act, 2013), formed for the purpose of promoting corporate social responsibilities. As a result, it is not considered for the purpose of preparing our consolidated financial statements.
- WNS Global Services (Dalian) Co. Ltd Shanghai Branch was formed in March 2017 and is a branch of WNS Global Services (Dalian) Co. Ltd.
- The WNS B-BBEE Staff Share Trust was registered on April 26, 2017 with the principal object of creating meaningful participation of our Black employees in the growth of our company.
- Ucademy (Pty) Limited, a wholly owned subsidiary of WNS Global Services SA (Pty) Limited, was incorporated on June 20, 2016.



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D. Property, Plants and Equipment

As at March 31, 2017, we have an installed capacity of 28,008 production workstations, or seats, that can operate on an uninterrupted 24/7 basis and can be staffed on a three-shift per day basis. The majority of our properties are leased by us, as described in the table below, and most of our leases are renewable at our option. The following table describes each of our delivery centers and sales offices, including centers under construction, and sets forth our lease expiration dates.

Location	Total Space (square feet)	Total number of work stations	Lease Expiration Date	Extendable Until ⁽¹⁾
India:				
Mumbai	364,835	3,093		
Godrej Plant 10			February 15, 2021	February 15, 2023
Godrej Plant 11			February 15, 2021	February 15, 2023
Godrej Plant 5			February 15, 2021	February 15, 2023
Raheja (SEZ), Airoli			May 31, 2019	N/A
Rupa Solitaire-Unit 316			May 31, 2020	May 31, 2025
Gurgaon	292,131	3,042		
DLF (SEZ)			September 15, 2017	N/A
World Tech park Block- B2 9 th Floor			May 14, 2022	May 15, 2027
World Tech park Block -B3 9 th Floor			May 14, 2022	May 15, 2027
World Tech Park-8 th , 9 th , 10 th & part 11 th Floor			April 27, 2019	April 27, 2024
World Tech Park- Remaining part of 11 th Floor			November 2, 2019	April 27, 2024
World Tech Park- Block A3, 11 th floor			September 19, 2020	September 19, 2024
Pune	611,646	7,170		
Magarpatta			N/A	N/A
Weikfield—Phase I			February 14, 2018	February 14, 2022
Weikfield—Phase II			April 30, 2018	April 30, 2022
Weikfield—Phase III			June 14, 2018	June 14, 2022
Mantri Estate			May 27, 2020	N/A
Magarpatta (SEZ) – Level 5			February 14, 2026	N/A
Magarpatta (SEZ) – Level 6			October 26, 2026	N/A
Magarpatta (SEZ) – Level 7			February 28, 2027	N/A
Giga Space			January 17, 2021	N/A
Nasik	74,620	990		
Shreeniketan			June 30, 2018	N/A
Vascon			October 13, 2018	N/A
Bangalore	156,432	1,473		
RMZ Centennial – Ground Floor & Level 1			June 14, 2018	June 14, 2025
RMZ Centennial – Level 2 & 3			October 31, 2018	October 31, 2025
RMZ Centennial – Terrace			July 31, 2018	July 31, 2025
Chennai	110,792	914		
RMZ Millenia			March 31, 2018	March 31, 2045
DLF (SEZ)—Phase 1			March 31, 2021	March 31, 2026
DLF (SEZ)—Phase 2			March 31, 2021	N/A
Vishakhapatnam	37,050	574		
MPS Plaza			March 4, 2022	March 4, 2027
Tiruchirappalli	217,800	N/A	November 15, 2111	November 15, 2210
Plot of land ⁽²⁾				
Noida	18,950	153		
C-125 A			December 31, 2018	N/A
C-120			March 31, 2018	N/A
Sadhana Enclave			July 31, 2017	N/A



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Sri Lanka:	59,249	871		
Colombo (HNB) – Level 15			July 31, 2018	N/A
Colombo (Orion City) – Level 12&13			May 31, 2018	N/A
UK:	29,530	511		
Ipswich (Museum Street)			May 23, 2028	N/A
Cheadle (Hercules Office Park)			July 21, 2020	N/A
Piccadilly (Malta House)			February 10, 2027	N/A
Mansfield (Oakham Business Park) ⁽³⁾			February 14, 2016	N/A
Hayes (Hyde Park)			February 28, 2021	N/A
US:	149,845	944		
NJ (Exchange Place)			July 30, 2019	July 30, 2024
SC (The State Building)			July 31, 2020	April 19, 2023
Pennsylvania (Hanover Street)			June 23, 2020	June 23, 2025
Bellevue (Cascade Building)			October 31, 2019	N/A
Pittsburg (One Waterfront Place)			January 31, 2022	N/A
NY (East Greenbush)			February 28, 2019	N/A
Houston (Corporate Drive)			December 31, 2020	N/A
Houston (Northchase Drive)			March 31, 2026	N/A
Turkey:	N/A	12		
Istanbul (MeydanK Plaza)			March 31, 2018	N/A
Switzerland:	2,077	—		
Zurich (Bahnhofstrasse)			Can be terminated with three months notice	N/A
Romania:	53,201	520		
Bucharest (West Gate) – 2 nd & 3 rd Floor			February 25, 2023	February 25, 2026
Constanta (Euro Construct)			January 15, 2022	N/A
Philippines:	282,886	2,526		
Manila				
Eastwood—Basement 3 Parking			November 30, 2021	N/A
Eastwood—Basement 4 Parking			June 4, 2021	N/A
Eastwood—10 th floor			June 30, 2021	N/A
Eastwood—9 th floor			June 30, 2021	June 30, 2031
Techno Plaza II			April 30, 2019	April 30, 2024
Ilo Ilo				
One Global Centre			January 15, 2021	N/A
Three Techno Place – 4 th Floor			March 15, 2022	N/A
Alabang				
Vector 2			February 28, 2022	N/A
Capella			June 30, 2022	N/A
Costa Rica:	12,592	205		
San Jose (Forum H)			April 30, 2021	N/A
United Arab Emirates:	510	N/A		
Dubai Airport Free Trade Zone			November 27, 2017	N/A
South Africa:	355,361	4,504		
Cape Town				
Knowledge Park			March 31, 2019	N/A
Ambition House – 4 th Floor			September 30, 2017	September 30, 2018
Ambition House – 3 rd Floor			June 30, 2018	June 30, 2019
Claremont – Level 4			June 30, 2018	June 30, 2022
Claremont – Level 5			June 30, 2018	June 30, 2022
Johannesburg				
Commissioners Street			September 30, 2017	May 31, 2019
DownSouth Ridge Park			August 31, 2021	N/A
Port Elizabeth (COEGA)			July 31, 2020	July 31, 2025
Durban				
Hippopark Avenue - Section #1 & 2			May 30, 2020	N/A
Grid Eye			June 30, 2021	N/A



Poland:	19,498	215		
Gdynia (Luzycka Office Park) – Bldg C & D			April 1, 2018	April 1, 2023
China:	31,708	290		
Guangzhou (Zhongshan Street) – 30 th Floor			April 30, 2019	N/A
Dalian (Dalian Software Park) – Bldg 22			May 15, 2020	N/A
Beijing (YongAnDongLi) – 5 th Floor			April 30, 2019	N/A
Shanghai (Huang PL)			April 30, 2019	N/A
Australia:	646	N/A		
Sydney (Lavender Street)			February 28, 2018	N/A

Notes:

N/A means not applicable.

- (1) Reflects the expiration date if the applicable extension option is exercised.
- (2) This is a SEZ plot in the ELCOT Navalpattu IT/ITES SEZ Park.
- (3) The lease agreement for the premises expired on February 14, 2016. The current arrangement will continue to apply until, either we vacate the premises or a new lease is granted or signed. All other terms of the lease remain the same under this arrangement.

Our delivery centers are equipped with fiber optic connectivity and have backups to their power supply designed to achieve uninterrupted operations. In fiscal 2018, we intend to establish additional delivery centers, as well as continue to streamline our operations by further consolidating production capacities in our delivery centers.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.



ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion on the financial condition and results of operations of our company should be read in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report. Some of the statements in the following discussion contain forward-looking statements that involve risks and uncertainties. See “Special Note Regarding Forward-Looking Statements.” Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including, but not limited to, those described below and elsewhere in this annual report, particularly in the risk factors described in “Part I — Item 3 Key Information — D. Risk Factors.”

Overview

We are a leading global provider of BPM services, offering comprehensive data, voice, analytical and business transformation services with a blended onshore, near shore and offshore delivery model. We transfer the business processes of our clients to our delivery centers, located in China, Costa Rica, India, the Philippines, Poland, Romania, South Africa, Sri Lanka, Turkey, the UK, and the US, with a view to offer cost savings, operational flexibility, improved quality and actionable insights to our clients. We seek to help our clients “transform” their businesses by identifying business and process optimization opportunities through technology-enabled solutions, process design improvements, analytics and improved business understanding.

We win outsourcing engagements from our clients based on our domain knowledge of their business, our experience in managing the specific processes they seek to outsource and our customer-centric approach. Our company is organized into vertical business units in order to provide more specialized focus on each of the industries that we target, to more effectively manage our sales and marketing process and to develop in-depth domain knowledge. The major industry verticals we currently target are the insurance; travel and leisure; diversified businesses including manufacturing, retail, CPG, media and entertainment, and telecom; utilities; consulting and professional services; healthcare; banking and financial services; and shipping and logistics industries.

Our portfolio of services includes vertical-specific processes that are tailored to address our clients’ specific business and industry practices. In addition, we offer a set of shared services that are common across multiple industries, including customer interaction services, finance and accounting, research and analytics, technology services, legal services, and human resources outsourcing.

Although we typically enter into long-term contractual arrangements with our clients, these contracts can usually be terminated with or without cause by our clients and often with short notice periods. Nevertheless, our client relationships tend to be long-term in nature given the scale and complexity of the services we provide coupled with risks and costs associated with switching processes in-house or to other service providers. We structure each contract to meet our clients’ specific business requirements and our target rate of return over the life of the contract. In addition, since the sales cycle for offshore business process management is long and complex, it is often difficult to predict the timing of new client engagements. As a result, we may experience fluctuations in growth rates and profitability from quarter to quarter, depending on the timing and nature of new contracts. Our operating results may also differ significantly from quarter to quarter due to seasonal changes in the operations of our clients. For example, our clients in the travel and leisure industry typically experience seasonal changes in their operations in connection with the US summer holiday season, as well as episodic factors such as adverse weather conditions. Our focus, however, is on deepening our client relationships and maximizing shareholder value over the life of a client’s relationship with us.

The following table represents our revenue (a GAAP financial measure) for the periods indicated:

	Year ended March 31,		
	2017	2016	2015
	(US dollars in millions)		
Revenue	\$602.5	\$562.2	\$533.9

Our revenue is generated primarily from providing business process management services. We have two reportable segments for financial statement reporting purposes — WNS Global BPM and WNS Auto Claims BPM. In our WNS Auto Claims BPM segment, we provide both “fault” and “non-fault” repairs. For “fault” repairs, we provide claims handling and repair management services, where we arrange for automobile repairs through a network of third party repair centers. In our repair management services, where we act as the principal in our dealings with the third party repair centers and our clients, the amounts which we invoice to our clients for payments made by us to third party repair centers are reported as revenue. Where we are not the principal in providing the services, we record revenue from repair services net of repair cost. See Note 2.s of the consolidated financial statements included elsewhere in this annual report. Since we wholly subcontract the repairs to the repair centers, we evaluate the financial performance of our “fault” repair business based on revenue less repair payments to third party repair centers, which is a non-GAAP financial measure. We believe that revenue less repair payments (a non-GAAP financial measure) for “fault” repairs reflects more accurately the value addition of the business process management services that we directly provide to our clients. Management believes that revenue less repair payments (non-GAAP) may be useful to investors as a more accurate reflection of our performance and operational results.



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For our “non-fault” repairs business, we generally provide a consolidated suite of accident management services including credit hire and credit repair, and we believe that measurement of such business on a basis that includes repair payments in revenue is appropriate. Revenue including repair payments is therefore used as a primary measure to allocate resources and measure operating performance for accident management services provided in our “non-fault” repairs business. Our “non-fault” repairs business where we provide accident management services accounts for a relatively small portion of our revenue for our WNS Auto Claims BPM segment. In our WNS Auto Claims BPM segment, effective July 1, 2015, WNS Legal Assistance LLP, a subsidiary of WNS Assistance Limited, received an approval from Solicitors Regulatory Authority, UK to provide legal services in relation to personal injury claims.

Revenue less repair payments is a non-GAAP financial measure which is calculated as (a) revenue less (b) in our auto claims business, payments to repair centers for “fault” repair cases where we act as the principal in our dealings with the third party repair centers and our clients. This non-GAAP financial information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP. Our revenue less repair payments (non-GAAP) may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

The following table reconciles our revenue (a GAAP financial measure) to revenue less repair payments (a non-GAAP financial measure) for the periods indicated:

	Year ended March 31,		
	2017	2016	2015
	(US dollars in millions)		
Revenue	\$602.5	\$562.2	\$533.9
Less: Payments to repair centers ⁽¹⁾	24.1	31.2	30.9
Revenue less repair payments (non-GAAP)	\$578.4	\$531.0	\$503.0

Note:

- (1) Consists of payments to repair centers in our auto claims business for “fault” repair cases where we act as the principal in our dealings with the third party repair centers and our clients.

The following table sets forth our constant currency revenue less repair payments (a non-GAAP financial measure) for the periods indicated. Constant currency revenue less repair payments is a non-GAAP financial measure. We present constant currency revenue less repair payments (non-GAAP) so that revenue less repair payments (non-GAAP) may be viewed without the impact of foreign currency exchange rate fluctuations, thereby facilitating period-to-period comparisons of business performance. Constant currency revenue less repair payments (non-GAAP) is presented by recalculating prior period’s revenue less repair payments (non-GAAP) denominated in currencies other than in US dollars using the foreign exchange rate used for the latest period, without taking into account the impact of hedging gains/losses. Our non-US dollar denominated revenue includes, but is not limited to, revenue denominated in pound sterling, Australian dollars, South African rand and euros. Management believes constant currency revenue less repair payments (non-GAAP) may be useful to investors in evaluating the underlying operating performance of our company. This non-GAAP financial information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP. Our constant currency revenue less repair payments (non-GAAP) may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

	Year ended March 31,		
	2017	2016	2015
	(US dollars in millions)		
Revenue less repair payments (non-GAAP)	578.4	531.0	503.0
Exchange rate impact	(6.8)	(37.5)	(60.8)
Constant currency revenue less repair payments (non-GAAP)	\$571.6	\$493.5	\$442.2



Global Economic Conditions

Global economic conditions continue to show signs of turbulence. Although some key indicators of sustainable economic growth show signs of improvement, volatility in the domestic politics of major markets may lead to changes in the institutional framework of the international economy. In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last at least two years after the government of the United Kingdom formally initiated a withdrawal process on March 29, 2017, putting the United Kingdom on track to leave the European Union by April 2019. The referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union-derived laws to replace or replicate in the event of a withdrawal. The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have a material adverse effect on our business, financial condition and results of operations. China continues to have room for economic growth, but such growth opportunities remain subject to political developments and uncertainties in the regulatory framework of the economy. In the US, economic growth is tempered by continuing concerns over the failure to achieve a long term solution to the issues of government spending, the increasing US national debt, and their negative impact on the US economy as well as concerns over potential increases in cost of borrowing and reduction in availability of credit as the US Federal Reserve begins raising interest rates. The policies that may be pursued by the presidential administration in the US (such as the border adjustment tax under consideration) have added further uncertainty to the global economy, and the prevailing political climate may lead to more protectionist policies. Globally, countries may require additional financial support, sovereign credit ratings may continue to decline, and there may be defaults on sovereign debt obligations of certain countries. Any of these may increase the cost of borrowing and cause credit to become more limited. Further, there continue to be signs of economic weakness, such as relatively high levels of unemployment, in major markets including Europe. Continuing conflicts and instability in various regions around the world may lead to additional acts of terrorism and armed conflict around the world. The ongoing refugee crisis in Europe, North Africa and the Middle East may contribute to political and economic instability in those regions. A resurgence of isolationist and/or protectionist policies in North America, Europe and Asia may curtail global economic growth.

These economic conditions may affect our business in a number of ways. The general level of economic activity, such as decreases in business and consumer spending, could result in a decrease in demand for our services, thus reducing our revenue. The cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Continued turbulence or uncertainty in the European, US, Asian and international financial markets and economies may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our customers. If these market conditions continue or worsen, they may limit our ability to access financing or increase our cost of financing to meet liquidity needs, and affect the ability of our customers to use credit to purchase our services or to make timely payments to us, resulting in adverse effects on our financial condition and results of operations.

Furthermore, a weakening of the rate of exchange for the pound sterling, the US dollar or, to a lesser extent, the Australian dollar or the South African rand (in which our revenue is principally denominated) against the Indian rupee, or to a lesser extent, the South African rand (in which a significant portion of our costs are denominated) would also adversely affect our results. Fluctuations between the pound sterling, the Indian rupee, the Australian dollar or the South African rand, on the one hand, and the US dollar, on the other hand, also expose us to translation risk when transactions denominated in these currencies are translated into US dollars, our reporting currency. The exchange rates between each of the pound sterling, the Indian rupee, the Australian dollar and South African rand, on the one hand, and the US dollar, on the other hand, have changed substantially in recent years and may fluctuate substantially in the future. For example, the pound sterling depreciated against the US dollar by an average of 13.4% in fiscal 2017, and by an average of 6.4% in fiscal 2016. On the other hand, in fiscal 2017 and 2016, the Indian rupee depreciated against the US dollar by an average of 2.6% and 7.1%, respectively, the South African rand depreciated against the US dollar by an average of 2.3% and 24.3%, respectively, and the Australian dollar appreciated against the US dollar by an average of 2.1% and depreciated against the US dollar by an average of 15.8%, respectively. The depreciation of the Indian rupee and the South African rand is fiscal 2017 and 2016, and the appreciation of the Australian dollar in fiscal 2017, against the US dollar positively impacted our results of operations in those years, whereas the depreciation of the pound sterling in fiscal 2017 and 2016 and the depreciation of the Australian dollar is fiscal 2016 against the US dollar negatively impacted our results of operations in those years.

Uncertainty about current global economic conditions could also continue to increase the volatility of our share price. We cannot predict the timing or duration of an economic slowdown or the timing or strength of a subsequent economic recovery generally or in our targeted industries, including the travel and leisure and insurance industries. If macroeconomic conditions worsen or current global economic conditions continue for a prolonged period of time, we are not able to predict the impact that such worsening conditions will have on our targeted industries in general, and our results of operations specifically.



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Our History and Milestones

We began operations as an in-house unit of British Airways in 1996 and started focusing on providing business process management services to third parties in fiscal 2003. The following are the key milestones in our operating history since Warburg Pincus acquired a controlling stake in our company from British Airways in May 2002 and inducted a new senior management team:

- In fiscal 2003, we acquired Town and Country Assistance Limited (which we subsequently rebranded as WNS Assistance and which is part of WNS Auto Claims BPM, our reportable segment for financial statement purposes), a UK-based automobile claims handling company, thereby extending our service portfolio beyond the travel and leisure industry to include insurance-based automobile claims processing.
- In fiscal 2003 and 2004, we invested in our infrastructure to expand our service portfolio from data-oriented processing to include complex voice and blended data/voice service capabilities, and commenced offering comprehensive processes in the travel and leisure, banking and financial services and insurance industries.
- In fiscal 2004, we acquired the health claims management business of Greensnow Inc.
- In fiscal 2005, we opened facilities in Gurgaon, India and Colombo, Sri Lanka, thereby expanding our operating footprints across India and Sri Lanka.
- In fiscal 2006, we acquired Trinity Partners Inc. (which we subsequently merged into our subsidiary, WNS North America Inc.), a provider of business process management services to financial institutions, focusing on mortgage banking.
- In fiscal 2007, we expanded our facilities in Gurgaon, Mumbai and Pune, India, and we also acquired the fare audit services business of PRG Airlines and the financial accounting business of GHS.
- In May 2007, we acquired Marketics, a provider of offshore analytics services.
- In June 2007, we acquired Flovate, a company engaged in the development and maintenance of software products and solutions, which we subsequently renamed as WNS Workflow Technologies Limited.
- In July 2007, we completed the transfer of our delivery center in Sri Lanka to Aviva Global.
- In January 2008, we launched a 133-seat facility in Bucharest, Romania. Also, in March 2008, we entered into a joint venture with ACS, a provider in BPM services and customer care in the Philippines, to form WNS Philippines Inc.
- In April 2008, we opened a facility in Manila, the Philippines, and we also acquired Chang Limited, an auto insurance claims processing services provider in the UK, through its wholly-owned subsidiary, AHA (formerly known as Call 24-7).
- In June 2008, we acquired BizAps, a provider of SAP® solutions to optimize the enterprise resource planning functionality for our finance and accounting processes.
- In July 2008, we acquired from Aviva all the shares of Aviva Global, which we renamed to WNS Global Singapore, and resumed ownership of the delivery center in Sri Lanka that was transferred to Aviva Global in July 2007, as mentioned above. In connection with our acquisition of Aviva Global, we also entered into the 2008 Aviva master services agreement (as varied by the variation agreement entered into in March 2009) with Aviva MS, pursuant to which we provided BPM services to Aviva's UK business and Aviva's Irish subsidiary, Hibernian Aviva Direct Limited, and certain of its affiliates. We replaced this 2008 Aviva master services agreement with the Aviva master services agreement in September 2014.
- In November 2009, we opened a facility in San Jose, Costa Rica.
- In January 2010, we moved from our existing facility to a new and expanded facility in Manila, the Philippines.
- In October 2010, we moved from our existing facility in Marple to Manchester, UK and expanded our facility in Manila, the Philippines.
- In November 2010, we expanded our sales office in London, UK.
- In March 2011, we expanded our facility in Bucharest, Romania.
- In November 2011, we acquired ACS's shareholding in WNS Philippines Inc., which became our wholly-owned subsidiary.
- In fiscal 2012, we expanded our facilities in Mumbai, Pune, Gurgaon, Chennai, India, the Philippines, Costa Rica and Romania.



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- In February 2012, we completed a follow-on public offering of ADSs and raised approximately \$50.0 million to fund our growth initiatives and enhance delivery capability.
- In June 2012, we acquired Fusion, a provider of a range of management services, including contact center, customer care and business continuity services, to both South African and international clients, which we subsequently renamed as WNS Global Services SA (Pty) Ltd. We also opened a facility in Vizag, India.
- In December 2012, we opened a facility in Gydnia, Poland.
- In fiscal 2014, we added new facilities in Guangzhou, China; Colombo, Sri Lanka; and Mumbai, India.
- In fiscal 2015, we added new facilities in Dalian, China; Cape Town, South Africa; and Pennsylvania, United States.
- In fiscal 2016, we added new facilities in Durban and Port Elizabeth, South Africa; and Iloilo, the Philippines.
- In June 2016, we acquired Value Edge, a leading provider of commercial research and analytics services to clients in the pharmaceutical and biopharmaceutical industries. We paid \$18.3 million in total consideration, including adjustments for working capital of \$0.8 million and contingent consideration of \$5.1 million (which is held in escrow), subject to compliance with certain conditions, which is payable over three years. We funded this acquisition with cash on hand. Value Edge had 129 employees as at March 31, 2017 in India, the United States and Europe. Value Edge contributed a \$0.2 million profit to our results of operations in fiscal 2017.
- In January 2017, we acquired Denali, a leading provider of strategic procurement BPM services. We paid \$39.6 million in cash consideration, including contingent consideration of up to \$6.6 million, dependent on the achievement of revenue targets over a period of three years and deferred consideration of \$0.5 million payable in fiscal 2018, subject to adjustments for cash and working capital. We funded this acquisition primarily with the proceeds from our \$34.0 million secured three year term loan facility described under “—Liquidity and Capital Resources” below. Denali had 269 employees as at March 31, 2017 in the United States, Turkey, China and India. Denali contributed a \$0.2 million loss to our results of operations in fiscal 2017.
- In March 2017, we acquired HealthHelp, an industry leader in care management, for a total consideration of \$68.3 million, subject to adjustments for cash and working capital, including contingent consideration of up to \$8.9 million, payable over a period of two years and dependent on the achievement of revenue targets and the continuation of a specified client contract. We funded this acquisition primarily with the proceeds from our \$84.0 million secured five year term loan facility described under “—Liquidity and Capital Resources” below. HealthHelp had 406 employees as at March 31, 2017 in the United States. HealthHelp contributed a \$0.3 million loss to our results of operations in fiscal 2017.
- In fiscal 2017, we added new facilities in Durban and Centurion, South Africa. We also added new facilities in Pune and Noida, India; Bellevue, Pittsburgh, New York City and Houston, USA; and Istanbul, Turkey. We also expanded our facility in Gurgaon, India.



Revenue

We generate revenue by providing business process management services to our clients. The following table shows our revenue (a GAAP financial measure) and revenue less repair payments (a non-GAAP financial measure) for the periods indicated:

	Year ended March 31,		Change	
	2017	2016	\$	%
	(US dollars in millions)			
Revenue	\$ 602.5	\$ 562.2	40.4	7.2%
Revenue less repair payments (non-GAAP)	\$ 578.4	\$ 531.0	47.4	8.9%

We have a large client base diversified across industries and geographies. Our client base grew from 302 clients as at March 31, 2016 to 349 clients as at March 31, 2017, including clients of the businesses we acquired in fiscal 2017.

Our revenue is characterized by client, industry, service type, geographic and contract type diversity, as the analysis below indicates.

Revenue by Top Clients

For fiscal 2017, 2016 and 2015, the percentage of revenue and revenue less repair payments (non-GAAP) that we derived from our largest clients were in the proportions set forth in the following table:

	Revenue			Revenue less repair payments (non-GAAP)		
	Year ended March 31,			Year ended March 31,		
	2017	2016	2015	2017	2016	2015
Top client	9.0%	10.9%	13.4%	9.4%	11.6%	14.2%
Top five clients	32.1%	30.7%	33.0%	33.5%	32.5%	35.0%
Top ten clients	43.6%	43.0%	44.5%	45.4%	45.5%	47.2%
Top twenty clients	55.7%	57.3%	60.1%	58.0%	60.7%	63.5%

In fiscal 2017, our three largest clients individually accounted for 9.0%, 6.4% and 6.1%, respectively, of our revenue as compared to 10.9%, 7.8% and 5.2%, respectively, in fiscal 2016 and 13.4%, 8.5% and 5.5%, respectively, in fiscal 2015.

In fiscal 2017, our three largest clients individually accounted for 9.4%, 6.7% and 6.3%, respectively, of our revenue less repair payments (non-GAAP) as compared to 11.6%, 8.3% and 5.5%, respectively, in fiscal 2016 and 14.2%, 9.0% and 5.8%, respectively, in fiscal 2015.

One of our top five clients by revenue contribution in fiscal 2014, an OTA, provided us with a lower volume of business in fiscal 2015 as the OTA entered into a strategic marketing agreement with another OTA in August 2013 pursuant to which it over a period of time, from the fourth quarter of fiscal 2014 to the first quarter of fiscal 2016, moved its customer care and sales processes that were previously managed by us to a technology platform managed by the other OTA. As a result, we lost most of our business from that OTA and since June 2015, we ceased to provide services to that OTA. That OTA accounted for 2.5% of our revenue and 2.6% of our revenue less repair payments (non-GAAP) in fiscal 2015. The other OTA uses several BPM vendors to manage such processes on their technology platform. We are approved as one of the other OTA’s providers of BPM services. We have managed to compete with incumbent BPM vendors for the other OTA’s business and the other OTA has become one of our large clients.

Further, we have entered into the Aviva master services agreement with an existing major client, Aviva MS, effective April 1, 2014. The Aviva master services agreement replaced our prior master services agreement, the 2008 Aviva master services agreement, with the client that was due to expire in November 2016. See “– Our Contracts – Revenue by Contract Type.” The revised pricing arrangements under the new agreement resulted in lower revenue from the client in fiscal 2017 and 2016, as compared to fiscal 2015. The decline in revenue in fiscal 2017 was due to the termination of a minimum commitment fee during the fiscal year, which had applied during the full fiscal 2016. Aviva MS accounted for 9.0%, 10.9% and 13.4% of our revenue and 9.4%, 11.6% and 14.2% of our revenue less repair payments (non-GAAP) in fiscal 2017, 2016 and 2015, respectively. Part of the decline in revenue was due to a reduction of services due to automation performed by Aviva MS on their end.



Revenue by Industry

For financial statement reporting purposes, we aggregate our operating segments, except for the WNS Auto Claims BPM (which we market under the WNS Assistance brand) as it does not meet the aggregation criteria under IFRS. See “— Results by Reportable Segment.”

We organize our company into the following industry-focused business units to provide more specialized focus on each of these industries: insurance; travel and leisure; diversified businesses including manufacturing, retail, CPG, media and entertainment, and telecom; utilities; consulting and professional services; healthcare; banking and financial services; and shipping and logistics.

For fiscal 2017, 2016 and 2015, our revenue and revenue less repair payments (non-GAAP) were diversified across our industry-focused business units in the proportions set forth in the following table:

Business Unit	As a percentage of revenue			As a percentage of revenue less repair payments (non-GAAP)		
	Year ended March 31,			Year ended March 31,		
	2017	2016	2015	2017	2016	2015
Insurance	29.6%	32.3%	35.8%	26.6%	28.5%	31.7%
Travel and leisure	21.3%	19.6%	18.7%	22.1%	20.7%	19.8%
Diversified businesses including manufacturing, retail, CPG, media and entertainment, and telecom	17.5%	15.4%	14.0%	18.2%	16.3%	14.9%
Utilities	9.3%	10.2%	9.5%	9.7%	10.8%	10.1%
Consulting and professional services ⁽¹⁾	6.9%	7.9%	7.6%	7.2%	8.3%	8.2%
Healthcare	6.8%	5.2%	5.2%	7.1%	5.5%	5.6%
Banking and financial services	4.4%	5.5%	5.8%	4.6%	5.8%	6.1%
Shipping and logistics	4.3%	3.9%	3.4%	4.4%	4.1%	3.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

- (1) We merged our public sector business unit with our consulting and professional services business unit with effect from April 1, 2015 and revenue from the public sector business unit for fiscal 2015 has been included in the revenue and revenue less repair payments (non-GAAP) from the consulting and professional business unit for comparability.

Certain services that we provide to our clients are subject to the seasonality of our clients’ business. Accordingly, we see an increase in transaction related services within the travel and leisure industry during holiday seasons, such as during the US summer holidays (our fiscal second quarter); an increase in business in the insurance industry during the beginning and end of the fiscal year (our fiscal first and last quarters) and during the US peak winter season (our fiscal third quarter); and an increase in business in the consumer product industry during the US festive season towards the end of the calendar year when new product launches and campaigns typically happen (our fiscal third quarter).



Revenue by Service Type

For fiscal 2017, 2016 and 2015, our revenue and revenue less repair payments (non-GAAP) were diversified across service types in the proportions set forth in the following table:

Service Type	As a percentage of revenue			As a percentage of revenue less repair payments (non-GAAP)		
	Year ended March 31,			Year ended March 31,		
	2017	2016	2015	2017	2016	2015
Industry-specific	28.2%	30.2%	31.0%	29.4%	31.9%	33.0%
Customer interaction services ⁽¹⁾	27.9%	26.9%	22.5%	29.1%	28.5%	23.9%
Finance and accounting	20.6%	18.4%	20.0%	21.5%	19.5%	21.2%
Research and analytics	13.3%	12.4%	12.5%	13.8%	13.1%	13.2%
Auto claims	7.4%	9.5%	11.4%	3.6%	4.2%	6.0%
Others ⁽²⁾	2.6%	2.6%	2.6%	2.7%	2.8%	2.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

- (1) We have renamed our “contact center” horizontal unit as “customer interaction services” with effect from April 1, 2016, as we have expanded the services offered in that horizontal unit to include more value-added services beyond the customary contact center services.
- (2) Others includes revenue from technology services, legal services and human resources outsourcing services.

During the fourth quarter of fiscal 2017, proposed changes to the laws of the UK governing personal injury claims generated uncertainty regarding the future earnings trajectory of our legal services business in our WNS Auto Claims BPM segment, as a result of which we expect that we will eventually exit from providing legal services in relation to personal injury claims. We have also experienced a decrease in volume of and loss of such business from certain clients of our traditional repair services in our WNS Auto Claims BPM segment. As a result, we expect the future performance of our WNS Auto Claims BPM segment to decline significantly and the business will run with an opportunistic view.



Revenue by Geography

For fiscal 2017, 2016 and 2015, our revenue and revenue less repair payments (non-GAAP) were derived from the following geographies (based on the location of our clients) in the proportions set forth below in the following table:

Geography	As a percentage of revenue			As a percentage of revenue less repair payments (non-GAAP)		
	Year ended March 31,			Year ended March 31,		
	2017	2016	2015	2017	2016	2015
UK	41.3%	47.1%	52.8%	38.8%	44.0%	49.9%
North America (primarily the US)	32.6%	27.6%	25.9%	33.9%	29.3%	27.5%
Australia	8.1%	7.2%	6.4%	8.5%	7.6%	6.8%
South Africa	7.1%	5.4%	3.3%	7.4%	5.7%	3.5%
Europe (excluding the UK)	6.2%	6.2%	5.4%	6.5%	6.5%	5.7%
Rest of world	4.7%	6.5%	6.2%	4.9%	6.9%	6.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Our business in South Africa is evaluated for compliance with the South African government’s BBBEE legislation against a BBBEE scorecard based on various criteria. South African government grants are available to certain businesses that meet specified conditions, including achieving a specified minimum BBBEE rating. Additionally, many South African companies require their service providers to maintain a minimum BBBEE rating, and many of our South African client contracts contain clauses that allow our clients to terminate their contracts with us or impose specified penalties on us if we do not maintain a minimum BBBEE rating.

New BBBEE criteria became effective for us from March 2017, according to which an entity receives a new compliance rating from the BBBEE rating agency. Under these new criteria, our rating based on our previous structure and practices would have dropped and we would have been required contractually to improve our rating. We developed a plan to achieve or improve our current rating by the BBBEE verification audit for period ended March 31, 2017 in May 2017. This plan included, among other measures, divesting some of our interests in our South Africa subsidiary to address the criterion relating to the percentage of ownership of an entity by “black people” (as defined under the applicable legislation). We achieved the required rating on the basis of the steps taken to comply with the new BBBEE criteria which is valid until May 2018. However, there is no assurance that we will successfully maintain our existing BBBEE rating under the new criteria in our next annual BBBEE verification audit by the BBBEE rating agency, or at all. If we fail to achieve the required minimum BBBEE rating, we will cease to be eligible for government grants, will be disqualified from bidding for certain business, and our clients may terminate their contracts with us or impose penalties on us. These outcomes would have an adverse effect on our business, results of operations, financial condition and cash flows.



Revenue by Location of Delivery Centers

For fiscal 2017, 2016 and 2015, our revenue and revenue less repair payments (non-GAAP) were derived from the following geographies (based on the location of our delivery centers) in the proportions set forth in the following table:

Location of Delivery Center	As a percentage of revenue			As a percentage of revenue less repair payments (non-GAAP)		
	Year ended March 31,			Year ended March 31,		
	2017	2016	2015	2017	2016	2015
India	58.5%	61.4%	64.2%	60.9%	65.1%	68.4%
South Africa	11.1%	10.6%	7.8%	11.6%	11.2%	8.3%
Philippines	10.7%	8.2%	6.6%	11.2%	8.7%	7.0%
UK	8.7%	10.2%	12.0%	4.9%	4.9%	6.6%
United States	3.9%	2.2%	1.3%	4.1%	2.3%	1.3%
Sri Lanka	2.5%	2.8%	3.0%	2.6%	2.9%	3.1%
Romania	1.8%	2.1%	2.5%	1.9%	2.2%	2.7%
China	1.3%	1.0%	1.1%	1.4%	1.1%	1.1%
Poland	0.9%	0.7%	0.8%	0.9%	0.8%	0.8%
Costa Rica	0.6%	0.8%	0.7%	0.7%	0.8%	0.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



Our Contracts

We provide our services under contracts with our clients, which typically range from three to five years, with some being rolling contracts with no end dates. Typically, these contracts can be terminated by our clients with or without cause and with short notice periods. However, we tend to have long-term relationships with our clients given the complex and comprehensive nature of the business processes executed by us, coupled with the switching costs and risks associated with relocating these processes in-house or to other service providers.

Each client contract has different terms and conditions based on the scope of services to be delivered and the requirements of that client. Occasionally, we may incur significant costs on certain contracts in the early stages of implementation, with the expectation that these costs will be recouped over the life of the contract to achieve our targeted returns. Each client contract has corresponding service level agreements that define certain operational metrics based on which our performance is measured. Some of our contracts specify penalties or damages payable by us in the event of failure to meet certain key service level standards within an agreed upon time frame.

When we are engaged by a client, we typically transfer that client's processes to our delivery centers over a two to six month period. This transfer process is subject to a number of potential delays. Therefore, we may not recognize significant revenue until several months after commencing a client engagement.

In the WNS Global BPM segment, we charge for our services based on the following pricing models:

- 1) per full-time equivalent arrangements, which typically involve billings based on the number of full-time employees (or equivalent) deployed on the execution of the business process managed;
- 2) per transaction arrangements, which typically involve billings based on the number of transactions processed (such as the number of e-mail responses, or airline coupons or insurance claims processed);
- 3) fixed-price arrangements, which typically involve billings based on achievements of pre-defined deliverables or milestones;
- 4) outcome-based arrangements, which typically involve billings based on the business result achieved by our clients through our service efforts (such as measured based on a reduction in days sales outstanding, an improvement in working capital, an increase in collections or a reduction in operating expenses); or
- 5) other pricing arrangements, including cost-plus arrangements, which typically involve billing the contractually agreed direct and indirect costs and a fee based on the number of employees deployed under the arrangement.

Apart from the above-mentioned pricing methods, a small portion of our revenue is comprised of reimbursements of out-of-pocket expenses incurred by us in providing services to our clients.

Outcome-based arrangements are examples of non-linear pricing models where revenues from platforms and solutions and the services we provide are linked to usage or savings by clients rather than the efforts deployed to provide these services. We intend to focus on increasing our service offerings that are based on non-linear pricing models that allow us to price our services based on the value we deliver to our clients rather than the headcount deployed to deliver the services to them. We believe that non-linear pricing models help us to grow our revenue without increasing our headcount. Accordingly, we expect increased use of non-linear pricing models to result in higher revenue per employee and improved margins. Non-linear revenues may be subject to short term pressure on margins, however, as initiatives in developing the products and services take time to deliver. Moreover, in outcome-based arrangements, we bear the risk of failure to achieve clients' business objectives in connection with these projects. For more information, see "Part I — Item 3. Key Information — D. Risk Factors — If our pricing structures do not accurately anticipate the cost and complexity of performing our work, our profitability may be negatively affected."

In our WNS Auto Claims BPM segment, we earn revenue from claims handling and repair management services. For claims handling, we charge on a per claim basis or a fixed fee per vehicle over a contract period. For automobile repair management services, where we arrange for the repairs through a network of repair centers that we have established, we invoice the client for the amount of the repair. When we direct a vehicle to a specific repair center, we receive a referral fee from that repair center. We also provide a consolidated suite of services towards accident management including credit hire and credit repair for "non-fault" repairs business. Effective July 1, 2015, WNS Legal Assistance LLP, a subsidiary of WNS Assistance Limited, commenced providing legal services in relation to personal injury claims.



Revenue by Contract Type

For fiscal 2017, 2016 and 2015, our revenue and revenue less repair payments (non-GAAP) were diversified by contract type in the proportions set forth in the following table:

	As a percentage of revenue			As a percentage of revenue less repair payments (non-GAAP)		
	Year ended March 31,			Year ended March 31,		
	2017	2016	2015	2017	2016	2015
Full-time-equivalent	71.8%	73.0%	69.7%	74.8%	77.3%	74.0%
Transaction	17.7%	19.7%	22.4%	14.2%	15.0%	17.6%
Fixed price	4.5%	2.6%	3.4%	4.7%	2.8%	3.6%
Outcome-based	0.3%	0.7%	1.1%	0.3%	0.7%	1.2%
Others	5.7%	4.0%	3.4%	5.9%	4.2%	3.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

We have continued our ten-year relationship with Aviva MS by entering into the Aviva master services agreement with Aviva MS in September 2014 for a term of eight years, effective April 1, 2014 and expiring on March 31, 2022. The Aviva master services agreement replaced our 2008 Aviva master services agreement with the client that was due to expire in November 2016. The agreement continues to provide us with the exclusive right to provide the client with the services we currently provide, and in the same geographic regions, subject to the rights and obligations of the Aviva group under their existing contracts with other providers of similar services. Aviva MS has agreed, and further agreed to procure other members of the Aviva group, not to renew or extend such existing contracts unless they are contractually bound to do so. We are also regarded as a preferred supplier with respect to any new services or any new geographic regions in which the client seeks BPM services, subject to our meeting certain conditions of the client’s supplier tender process.

Our clients customarily provide one to three month rolling forecasts of their service requirements. Our contracts with our clients do not generally provide for a committed minimum volume of business or committed amounts of revenue, with the exception of the Aviva master services agreement. The Aviva master services agreement required Aviva MS to provide us with a minimum volume of business until October 31, 2016 (the last complete month prior to the expiration of the 2008 Aviva master services agreement). The minimum volume commitment is calculated as 3,000 billable full time employees, where one billable full time employee is the equivalent of a production employee engaged by us to perform our obligations under the contract for one working day at least nine hours for 250 days a year. The revised contract is priced on an FTE pricing model for certain types of outsourced processes and a non-FTE based pricing model for other types of outsourced processes. In the event the mean average monthly volume of business in any rolling three-month period does not reach the minimum volume commitment, Aviva MS has agreed to pay us a minimum commitment fee as liquidated damages. Notwithstanding the minimum volume commitment, there are termination at will provisions which permit Aviva MS to terminate the Aviva master services agreement without cause, with six months’ notice upon payment of a termination fee. The annual minimum volume commitment under this contract was not met, due to decreased volumes on the client’s end, in fiscal 2017 (until October 31, 2016), 2016 and 2015, and Aviva MS paid us the minimum commitment fee for fiscal 2017 (until October 31, 2016), 2016 and 2015.

The new pricing arrangements under the Aviva master services agreement provide for productivity-related discounts associated with FTE and non-FTE models. Some of these discounts are mandatorily applied through the term of the contract. Pricing also varies based on degree of complexity of the outsourced processes. The new pricing arrangements under the Aviva master services agreement, including the termination of the minimum commitment fee on October 31, 2016, resulted in lower revenue for fiscal 2017 as compared to fiscal 2016 and 2015. Aviva MS accounted for 9.0%, 10.9% and 13.4% of our revenue and 9.4%, 11.6% and 14.2% of our revenue less repair payments (non-GAAP) in fiscal 2017, 2016 and 2015, respectively.

Under the terms of an agreement with a former client (who was one of our top five clients by revenue contribution in fiscal 2014) negotiated in December 2009, we were the exclusive provider of certain key services from delivery locations outside of the US, including customer service and ticketing support for the client. This agreement became effective on April 1, 2010 and was due to expire in December 2015. Under our earlier agreement with this client, we were entitled to charge premium pricing because we had absorbed the initial transition cost in 2004. That premium pricing is no longer available in this subsequent agreement with this client. The early termination of the prior agreement entitled us to a payment by the client of a termination fee of \$5.4 million which was received on April 1, 2010. As the termination fee was related to a renewal of our agreement with the client, we have determined that the recognition of the termination fee as revenue was to be deferred over the term of this subsequent agreement (i.e., over the period from April 1, 2010 to December 31, 2015). Since June 2015, we have ceased to provide services under this agreement to this client. Accordingly, in June 2015 we recognized in full the termination fee for the remaining six months of the term of this agreement.



Expenses

The majority of our expenses consist of cost of revenue and operating expenses. The key components of our cost of revenue are employee costs, facilities costs, payments to repair centers, depreciation, travel expenses, and legal and professional costs. Our operating expenses include selling and marketing expenses, general and administrative expenses, foreign exchange gains and losses and amortization of intangible assets. Our non-operating expenses include finance expenses as well as other expenses recorded under “other income, net.”

Cost of Revenue

Employee costs represent the largest component of cost of revenue. In addition to employee salaries, employee costs include costs related to recruitment, training and retention, and share-based compensation expense. Historically, our employee costs have increased primarily due to increases in number of employees to support our growth and, to a lesser extent, to recruit, train and retain employees. Salary levels in India and our ability to efficiently manage and retain our employees significantly influence our cost of revenue. See “Part I — Item 4. Information on the Company — B. Business Overview — Human Capital.” Regulatory developments may, however, result in wage increases in India and increase our cost of revenue. For example, in December 2015, the Government of India amended the India Payment of Bonus Act, which mandated increased employee bonus amounts for certain wage categories, effective retroactively from April 1, 2014. See “Part I — Item. 3. Key Information. — D. Risk Factors — Risks Related to Our Business — Wage increases may prevent us from sustaining our competitive advantage and may reduce our profit margin.” We seek to mitigate these cost increases through improvements in employee productivity, employee retention and asset utilization.

Our WNS Auto Claims BPM segment includes repair management services, where we arrange for automobile repairs through a network of third party repair centers. This cost is primarily driven by the volume of accidents and the amount of the repair costs related to such accidents. It also includes incremental and direct costs incurred to contract with claimants by WNS Legal Assistance LLP.

Our facilities costs comprise lease rentals, utilities cost, facilities management and telecommunication network cost. Most of our leases for our facilities are long-term agreements and have escalation clauses which provide for increases in rent at periodic intervals commencing between three and five years from the start of the lease. Most of these agreements have clauses that have fixed escalation of lease rentals.

We create capacity in our operational infrastructure ahead of anticipated demand as it takes six to nine months to build up a new site. Hence, our cost of revenue as a percentage of revenue may be higher during periods in which we carry such additional capacity.

Once we are engaged by a client in a new contract, we normally have a transition period to transfer the client’s processes to our delivery centers and accordingly incur costs related to such transfer. Therefore, our cost of revenue in relation to our revenue may be higher until the transfer phase is completed, which may last for two to six months.

Selling and Marketing Expenses

Our selling and marketing expenses comprise primarily employee costs for sales and marketing personnel, travel expenses, legal and professional fees, share-based compensation expense, brand building expenses and other general expenses relating to selling and marketing.

Selling and marketing expenses as a proportion of revenue was 5.4% in fiscal 2017 as compared to 5.5% and 5.8% for fiscal 2016 and 2015, respectively. Selling and marketing expenses as a proportion of revenue less repair payments (non-GAAP) was 5.6% in fiscal 2017 as compared with 5.8% and 6.2% for fiscal 2016 and 2015, respectively. We expect our selling and marketing expenses to increase in fiscal 2018 but at a lower rate than the increase in our revenue less repair payments (non-GAAP). See “Part I — Item 4. Information on the Company — B. Business Overview — Business Strategy — Enhance awareness of the WNS brand name.” Our sales team is compensated based on achievement of business targets set at the beginning of each fiscal year. Accordingly, we expect this variable component of the sales team costs to increase in line with overall business growth.



General and Administrative Expenses

Our general and administrative expenses comprise primarily employee costs for senior management and other support personnel, travel expenses, legal and professional fees, share-based compensation expense and other general expenses not related to cost of revenue and selling and marketing.

General and administrative expenses as a proportion of revenue was 15.2% in fiscal 2017 as compared with 14.0% and 13.1% for fiscal 2016 and 2015, respectively. General and administrative expenses as a proportion of revenue less repair payments (non-GAAP) was 15.9% in fiscal 2017 as compared with 14.9% and 13.9% for fiscal 2016 and 2015, respectively. We expect general and administrative expenses to increase in fiscal 2018 but at a lower rate than the increase in our revenue less repair payments (non-GAAP).

We also expect our corporate employee costs for general and administrative and other support personnel to increase in fiscal 2018 but at a lower rate than the increase in our revenue less repair payments (non-GAAP).

Foreign Exchange Loss / (Gain), Net

Foreign exchange gains or losses, net include:

- marked to market gains or losses on derivative instruments that do not qualify for “hedge” accounting and are deemed ineffective;
- realized foreign currency exchange gains or losses on settlement of transactions in foreign currency and derivative instruments; and
- unrealized foreign currency exchange gains or losses on revaluation of other assets and liabilities.

We had a foreign exchange gain of \$14.5 million in fiscal 2017 as compared to \$11.0 million and \$4.5 million in fiscal 2016 and 2015, respectively. We expect our foreign exchange gains to be higher in fiscal 2018 as compared to fiscal 2017, based on our current hedge positions and exchange rates.

Impairment of Goodwill

During the fourth quarter of fiscal 2017, proposed changes to the laws of the UK governing personal injury claims generated uncertainty regarding the future earnings trajectory of our legal services business in our WNS Auto Claims BPM segment, as a result of which we expect that we will eventually exit from providing legal services in relation to personal injury claims. We have also experienced a decrease in volume of and loss of business from certain clients of our traditional repair services in our WNS Auto Claims BPM segment. As a result, we expect the future performance of our WNS Auto Claims BPM segment to decline significantly and we have therefore significantly reduced our financial projections and estimates of our WNS Auto Claims BPM segment. We performed an impairment review of the goodwill associated with the companies we had acquired for our auto claims business and recorded an impairment charge of \$21.7 million to our results of operations for fiscal 2017.

Amortization of Intangible Assets

Amortization of intangible assets is primarily associated with our acquisitions of Aviva Global in July 2008, Fusion in June 2012, a customer contract from Telkom in May 2015, Value Edge in June 2016, Denali in January 2017 and HealthHelp in March 2017.

Other Income, Net

Other income, net comprises interest income, income from investments, gain or loss on sale of assets and other miscellaneous expenses.

Finance Expense

Finance expense primarily relates to interest charges payable on our term loans and short term borrowings, transaction costs and the gains/losses on settlement of related derivative instruments. We expect finance expense to increase on account of interest payable on long term loans obtained during the year to fund our acquisitions of Denali and HealthHelp.



Operating Data

Our profit margin is largely a function of our asset utilization and the rates we are able to recover for our services. One of the most significant components of our asset utilization is our seat utilization rate which is the average number of work shifts per day, out of a maximum of three, for which we are able to utilize our seats. Generally, an improvement in seat utilization rate will improve our profitability unless there are other factors which increase our costs such as an increase in lease rentals, large ramp-ups to build new seats, and increases in costs related to repairs and renovations to our existing or used seats. In addition, an increase in seat utilization rate as a result of an increase in the volume of work will generally result in a lower cost per seat and a higher profit margin as the total fixed costs of our built up seats remain the same while each seat is generating more revenue.

The following table presents certain operating data as at the dates indicated:

	As at March 31,		
	2017	2016	2015
Total headcount	33,968	32,388	28,890
Built up seats ⁽¹⁾	28,008	26,407	24,131
Used seats ⁽¹⁾	20,795	20,063	17,451
Seat utilization rate ⁽²⁾	1.22	1.21	1.18

Notes:

- (1) Built up seats refer to the total number of production seats (excluding support functions like Finance, Human Resource, Administration and seats dedicated for business continuity planning) that are set up in any premises. Used seats refer to the number of built up seats that are being used by employees. The remainder would be termed "vacant seats." The vacant seats would get converted into used seats when we increase headcount. Previously, our reported built up seats included seats dedicated for business continuity planning. Commencing fiscal 2016, we have been reporting our built up seats and computing our seat utilization rate excluding seats dedicated for business continuity planning to better reflect our business operations. The built up seats and seat utilization rate presented for prior years in the table above have been re-computed to exclude seats dedicated for business continuity planning.
- (2) The seat utilization rate is calculated by dividing the average total headcount by the average number of built up seats to show the rate at which we are able to utilize our built up seats. Average total headcount and average number of built up seats are calculated by dividing the aggregate of the total headcount or number of built up seats, as the case may be, as at the beginning and end of the fiscal year by two.

We expect our total headcount in fiscal 2018 to increase as compared to fiscal 2017 as the impact of an increased flow of business from new and existing clients is expected to increase our hiring requirements in fiscal 2018.

Foreign Exchange

Exchange Rates

We report our financial results in US dollars and our results of operations would be adversely affected if the pound sterling or, to a lesser extent, the Australian dollar depreciates against the US dollar, or if the Indian rupee or, to a lesser extent, the South African rand or the Philippines peso appreciates against the US dollar. Although a substantial portion of our revenue and revenue less repair payments (non-GAAP) is denominated in pound sterling (39.6% and 37.0%, respectively, in fiscal 2017, 46.9% and 43.8%, respectively, in fiscal 2016 and 51.5% and 48.5%, respectively, in fiscal 2015), US dollars (38.7% and 40.3%, respectively, in fiscal 2017, 34.8% and 36.9%, respectively, in fiscal 2016 and 32.7% and 34.7%, respectively, in fiscal 2015) and, to a lesser extent, Australian dollars (7.2% and 7.5%, respectively, in fiscal 2017, 6.9% and 7.3%, respectively, in fiscal 2016 and 6.4% and 6.8%, respectively, in fiscal 2015), and South African rand (6.8% and 7.0%, respectively, in fiscal 2017, 5.2% and 5.6%, respectively, in fiscal 2016 and 3.2% and 3.4%, respectively, in fiscal 2015), most of our expenses (net of payments to repair centers) are incurred and paid in Indian rupees (51.1% in fiscal 2017, 54.2% in fiscal 2016 and 55.5% in fiscal 2015) and, to a lesser extent, in South African rand (11.1% in fiscal 2017, 11.0% in fiscal 2016 and 8.3% in fiscal 2015) and Philippines pesos (9.4% in fiscal 2017, 8.0% in fiscal 2016 and 7.0% in fiscal 2015). The exchange rates between these currencies and the US dollar have changed substantially in recent years and may fluctuate substantially in the future.



The average Indian rupee to US dollar exchange rate was approximately ₹67.10 per \$1.00 in fiscal 2017, which represented a depreciation of the Indian rupee of 2.6% as compared with the average exchange rate of approximately ₹65.43 per \$1.00 in fiscal 2016, which in turn represented a depreciation of the Indian rupee of 7.1% as compared with the average exchange rate of approximately ₹61.12 per \$1.00 in fiscal 2015. The average pound sterling to US dollar exchange rate was approximately £0.765 per \$1.00 in fiscal 2017, which represented a depreciation of the pound sterling of 13.4% as compared with the average exchange rate of approximately £0.662 per \$1.00 in fiscal 2016, which in turn represented a depreciation of the pound sterling of 6.4% as compared with the average exchange rate of approximately £0.620 per \$1.00 in fiscal 2015. The average Australian dollar to US dollar exchange rate was approximately A\$1.33 per \$1.00 in fiscal 2017, which represented an appreciation of the Australian dollar of 2.1% as compared with the average exchange rate of approximately A\$1.36 per \$1.00 in fiscal 2016, which in turn represented a depreciation of the Australian dollar of 15.8% as compared with the average exchange rate of approximately A\$1.14 per \$1.00 in fiscal 2015. The average South African rand to US dollar exchange rate was approximately R14.07 per \$1.00 in fiscal 2017, which represented a depreciation of the South African rand of 2.3% as compared with the average exchange rate of approximately R13.75 per \$1.00 in fiscal 2016, which in turn represented a depreciation of the South African rand of 24.3% as compared with the average exchange rate of approximately R11.07 per \$1.00 in fiscal 2015.

The depreciation of the Indian rupee against the US dollar by 2.6% in fiscal 2017 as compared to the average exchange rate in fiscal 2016 and by 7.1% as compared to the average exchange rate in fiscal 2015, had a positive impact on our expenses in fiscal 2017 and 2016. As a result, increases in our cost of revenue, and to a lesser extent, our general and administrative expenses were partially offset by the impact of the depreciation of Indian rupee in fiscal 2017 and 2016. The depreciation of the South African rand in fiscal 2017 and 2016 against the US dollar and the appreciation of the Australian dollar in fiscal 2017 also positively impacted our results of operations in those years. On the other hand, the depreciation of the pound sterling in fiscal 2017 and 2016 and the depreciation of the Australian dollar in fiscal 2016 against the US dollar negatively impacted our results of operations in these years. See “Part I — Item 11. Quantitative and Qualitative Disclosures About Market Risk — B. Risk Management Procedures — Components of Market Risk — Exchange Rate Risk.”

We have subsidiaries in several countries and hence, the functional currencies of these entities differ from our reporting currency, the US dollar. The financial statements of these entities are translated to the reporting currency as at the balance sheet date. Adjustments resulting from the translation of these financial statements from functional currency to reporting currency are accumulated and reported as other comprehensive income (loss), which is a separate component of equity and such exchange differences are recognized in the consolidated statement of income in the period in which such subsidiaries are disposed. Foreign currency transaction gains and losses are recorded as other income or expense.



Currency Regulation

Our Indian subsidiaries are registered as exporters of business process management services with STPI or SEZ. According to the prevailing foreign exchange regulations in India, an exporter of business process management services registered with STPI or SEZ is required to receive its export proceeds in India within a period of 9 months from the date of such exports in order to avail itself of the tax and other benefits. In the event that such a registered exporter has received any advance against exports in foreign exchange from its overseas customers, it is required to render the requisite services so that such advances are earned within a period of 12 months from the date of such receipt. If such a registered exporter does not meet these conditions, it will be required to obtain permission from the Reserve Bank of India to receive and realize such foreign currency earnings.

A majority of the payments we receive from our clients are denominated in pound sterling and US dollars. For most of our clients, our subsidiaries in Mauritius, the Netherlands, the UK and the US enter into contractual agreements directly with our clients for the provision of business process management services by our Indian subsidiaries, which hold the foreign currency receipts in an export earners' foreign currency account. All foreign exchange requirements, such as for the import of capital goods, expenses incurred during overseas travel by employees and discharge of foreign exchange expenses or liabilities, can be met using the foreign currency in the export earners' foreign currency account in India. As and when funds are required by us, the funds in the export earners' foreign currency account may be transferred to an ordinary rupee-denominated account in India.

There are currently no Jersey, UK or US foreign exchange control restrictions on the payment of dividends on our ordinary shares or on the conduct of our operations.

Income Taxes

We operate in multiple tax jurisdictions including Australia, China, Costa Rica, France, Germany, India, Mauritius, the Netherlands, the Philippines, Poland, Romania, Singapore, South Africa, Sri Lanka, Switzerland, Turkey, United Arab Emirates, the UK and the US. As a result, our effective tax rate changes from year to year based on recurring factors such as the geographical mix of income before taxes, state and local taxes, the ratio of permanent items to pre-tax book income and the implementation of various global tax strategies, as well as non-recurring events.

In fiscal 2017, 2016 and 2015, our tax rate in India, the Philippines and Sri Lanka impacted our effective tax rate. We would have incurred approximately \$5.2 million, \$5.0 million and \$3.0 million in additional income tax expense on our combined operations in our SEZ operations in India, the Philippines and Sri Lanka for fiscal 2017, 2016 and 2015, respectively, if the tax holidays and exemptions as described below had not been available for the respective periods.

We expect our tax rate in India, the Philippines and Sri Lanka to continue to impact our effective tax rate. Our tax rate in India has been impacted by the reduction in the tax exemption enjoyed by our delivery center operating under the SEZ scheme as discussed below.

India

In the past, the majority of our Indian operations were eligible to claim income tax exemption with respect to profits earned from export revenue from operating units registered under the STPI. The benefit was available for a period of 10 years from the date of commencement of operations, but not beyond March 31, 2011. Effective April 1, 2011, upon the expiration of this tax exemption, income derived from our operations in India became subject to the prevailing annual tax rate, which is currently, and was in fiscal 2017 and 2016, 34.61% and was 33.99% in fiscal 2015.

In 2005, the Government of India implemented the SEZ legislation, with the effect that taxable income of new operations established in designated SEZs may be eligible for a 15-year tax holiday scheme consisting of a complete tax holiday for the initial five years and a partial tax holiday for the subsequent ten years, subject to the satisfaction of certain capital investment conditions. Our delivery center located in Gurgaon, India and registered under the SEZ scheme is eligible for a 50.0% income tax exemption from fiscal 2013 to fiscal 2022. During fiscal 2012, we also started operations in delivery centers in Pune, Mumbai and Chennai, India registered under the SEZ scheme, which were, prior to fiscal 2017, eligible for a complete tax holiday but commencing fiscal 2017 to fiscal 2026 are eligible for only a 50.0% income tax exemption. During fiscal 2015, we commenced operations at our new delivery centers in Gurgaon and Pune in India which were registered under the SEZ scheme and are eligible for a 100.0% income tax exemption until fiscal 2019, and a 50.0% income tax exemption from fiscal 2020 to fiscal 2029.

The SEZ legislation has been criticized on economic grounds by the International Monetary Fund and the SEZ legislation may be challenged by certain non-governmental organizations. It is possible that, as a result of such political pressures, the procedure for obtaining benefits under the SEZ legislation may become more onerous, the types of land eligible for SEZ status may be further restricted or the SEZ legislation may be amended or repealed.



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In addition to these tax holidays, our Indian subsidiaries are also entitled to certain benefits under relevant state legislation and regulations. These benefits include the preferential allotment of land in industrial areas developed by state agencies, incentives for captive power generation, rebates and waivers in relation to payments for transfer of property and registration (including for purchase or lease of premises) and commercial usage of electricity.

Since fiscal 2008, we have become subject to MAT and we have been required to pay additional taxes. The Government of India, pursuant to the Indian Finance Act, 2011, has also levied MAT on the book profits earned by the SEZ units at the prevailing tax rate, which is currently, and was in fiscal 2017 and 2016, 21.34%, and was 20.96% in fiscal 2015. To the extent MAT paid exceeds the actual tax payable on our taxable income, we would be able to offset such MAT credits from tax payable in the succeeding 10 years, subject to the satisfaction of certain conditions. During fiscal 2017, 2016 and 2015, we have offset Nil, \$9.2 million and \$6.4 million, respectively, of our MAT payments for earlier years from our increased tax liability based on our taxable income following the expiry of our tax holiday on STPI effective fiscal 2012.

The Government of India may enact new tax legislation that could impact the way we are taxed in the future. For example, the Government of India has clarified that, with retrospective effect from April 1, 1962, any income accruing or arising directly or indirectly through the transfer of capital assets situated in India will be taxable in India. If any of our transactions are deemed to involve the direct or indirect transfer of a capital asset located in India, such transactions could be investigated by the Indian tax authorities, which could lead to the issuance of tax assessment orders and a material increase in our tax liability. For example, we received requests for information from, and are in discussions with, the relevant income tax authority in India relating to our acquisition in July 2008 from Aviva of all the shares of Aviva Global, which owned subsidiaries with assets in India and Sri Lanka. The Government of India has issued guidelines on the GAAR which came into effect on April 1, 2017, and which is intended to curb sophisticated tax avoidance. Under the GAAR, a business arrangement will be deemed an “impermissible avoidance arrangement” if the main purpose of the arrangement is to obtain tax benefits. Although the full implications of the GAAR are presently still unclear, if we are deemed to have violated any of its provisions, we may face an increase to our tax liability. However, we do not expect the GAAR to have a material impact on our operations. The Government of India has passed the GST Act, which is expected to be effective from July 1, 2017. Once effective, the majority of the various existing indirect tax levies would be subsumed by the goods and services tax payable under the GST Act. Based on the current GST law and the draft rules, we do not expect a significant impact on our operations. See “Part I — Item 3. Key Information — D. Risk Factors — Risks Related to Key Delivery Locations — New tax legislation and the results of actions by taxing authorities may have an adverse effect on our operations and our overall tax rate.

Philippines

Our subsidiary in the Philippines, WNS Global Services Philippines, Inc. located in Eastwood Avenue, Manila, was eligible to claim income tax exemption with respect to profits earned from export revenue by our delivery centers registered with the Philippines Economic Zone Authority, which expired in fiscal 2016. During fiscal 2013, we started operations in a delivery center in the Philippines located in Techno Plaza II, Manila which was eligible for a tax exemption that expired in fiscal 2017. We intend to apply this year for an extension of this tax exemption until fiscal 2018. During fiscal 2016, we started operations in a delivery center in Iloilo, Manila which is also eligible for a tax exemption that will expire in fiscal 2020. During fiscal 2017, we started operations in additional delivery centers in Iloilo, Manila and Alabang, Philippines which are also eligible for tax exemption that will expire in fiscal 2021. Following the expiry of the tax exemption, income generated by WNS Global Services Philippines, Inc. will be taxed at the prevailing special tax rate, which is currently 5.0% on gross margin.

Sri Lanka

Our operations in Sri Lanka are eligible to claim income tax exemption under the Sri Lanka Inland Revenue Act for the profits earned from export revenue.

Costa Rica

Our subsidiary in Costa Rica is eligible for a 100.0% income tax exemption from fiscal 2010 until fiscal 2017 and a 50.0% income tax exemption from fiscal 2018 to fiscal 2021.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements included elsewhere in this annual report which have been prepared in accordance IFRS, as issued by the IASB. Note 2 to our consolidated financial statements included elsewhere in this annual report describes our significant accounting policies and is an essential part of our consolidated financial statements.



We believe the following to be critical accounting policies. By “critical accounting policies,” we mean policies that are both important to the portrayal of our financial condition and financial results and require critical management judgments and estimates. Although we believe that our judgments and estimates are appropriate, actual future results may differ from our estimates.



Revenue Recognition

We derive revenue from providing BPM services to our clients, which primarily include providing back office administration, data management, contact center management and automobile claims handling services. We recognize revenue when the significant terms of the arrangement are enforceable, services are being delivered and the collectability is reasonably assured. We recognize revenue on an accrual basis when services are performed and revenue from the end of last billing to the reporting date is recognized as unbilled revenues.

When the terms of the agreement specify service level parameters that must be met, we monitor such service level parameters and determine if there are any service credits or penalties that we need to account for. Revenue is recognized net of any service credits that are due to a client. Generally, our revenue is from large companies, where we do not believe we have a significant credit risk.

We invoice our clients depending on the terms of the arrangement, which include billing based on a per employee basis, a per transaction basis, a fixed price basis, an outcome based basis or other pricing arrangements including cost-plus arrangements. Amounts billed or payments received, where all the conditions for revenue recognition have not been met, are recorded as deferred revenue and are recognized as revenue when all recognition criteria have been met. However, the costs related to the performance of BPM services unrelated to transition services (discussed below) are recognized in the period in which the services are rendered. An upfront payment received towards future services is recognized ratably over the period when such services are provided.

For certain of our clients, we perform transition activities at the outset of entering into a new contract for the provision of BPM services. We have determined these transition activities do not meet the revenue recognition criteria to be accounted for as a separate unit of accounting with stand-alone value separate from the on-going BPM contract. Accordingly, transition revenue and costs are subsequently recognized ratably over the period in which the BPM services are performed. Further, the deferral of costs is limited to the amount of the deferred revenue. Any costs in excess of the deferred transition revenue are recognized in the period it was incurred.

In limited instances, we have entered into minimum commitment arrangements that provide for a minimum revenue commitment on an annual basis or a cumulative basis over multiple years, stated in terms of annual minimum amounts. Where a minimum commitment is specific to an annual period, any revenue shortfall is invoiced and recognized at the end of this period.

Our revenue is net of value-added taxes and includes reimbursements of out-of-pocket expenses.

We provide automobile claims handling services, which include claims handling and administration (which we refer to as “claims handling”), car hire and arranging for repairs with repair centers across the UK and the related payment processing for such repairs (which we refer to as “repair management”). We also provide legal services in relation to personal injury claims.

We also provide services where motorists involved in accidents were not at fault. Our service offerings include the provision of replacement hire vehicles (which we refer to as “credit hire”), repair management services and claims handling (which we collectively refer to as “accident management”).

With respect to claims handling, we enter into contracts with our clients to process all their claims over the contract period, where the fees are determined either on a per claim basis or a fixed payment for the contract period. Where our contracts are on a per claim basis, we invoice the client at the inception of the claim process. We estimate the processing period for the claims and recognize revenue over the estimated processing period. This processing period generally ranges between one to two months. The processing time may be greater for new clients and the estimated service period is adjusted accordingly. The processing period is estimated based on historical experience and other relevant factors, if any. Where the fee is a fixed payment for the contract period, revenue is recognized on a straight line basis over the period of the contract. In certain cases, where the fee is contingent upon the successful recovery of a claim by the client, revenue is not recognized until the contingency is resolved. Revenue in respect of car hire is recognized over the car hire term.



In order to provide repair management services, we arrange for the repair of vehicles involved in an accident through a network of repair centers. The repair costs are invoiced to customers. In determining whether the receipt from the customers related to payments to repair centers should be recognized as revenue, we consider the criteria established by IAS 18, Illustrative example 21 — “Determining whether an entity is acting as a principal or as an agent.” When we determine that we are the principal in providing repair management services, amounts received from customers are recognized and presented as third party revenue and the payments to repair centers are recognized as cost of revenue in the consolidated statement of income.

Factors considered in determining whether we are the principal in the transaction include whether:

- (a) we have the primary responsibility of providing the services,
- (b) we negotiate the labor rates with repair centers,
- (c) we are responsible for timely and satisfactory completion of repairs, and
- (d) we bear the risk that the customer may not pay for the services provided (credit risk).

If there are circumstances where the above criteria are not met and therefore we are not the principal in providing repair management services, amounts received from customers are recognized and presented net of payments to repair centers in the consolidated statement of income. Revenue from repair management services is recorded net of the repairer referral fees passed on to customers.

Revenue from legal services is recognized on the admission of liability by the third party to the extent of fixed fees earned at each stage and any further income on the successful settlement of the claim. Incremental and direct costs incurred to contract with a claimant are amortized over the estimated period of provision of services, not exceeding 15 months. All other costs to us are expensed as incurred.

Share-based Compensation

We provide share-based awards such as share options and RSUs to our employees, directors and executive officers through various equity compensation plans. We account for share-based compensation expense relating to share-based payments using a fair-value method in accordance with IFRS 2 “*Share-based Payments*.” IFRS 2 addresses the accounting for share-based payment transactions in which an enterprise receives employee services in exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise’s equity instruments or that may be settled by the issuance of such equity instruments.

Equity instruments granted is measured by reference to the fair value of the instrument at the date of grant. The grants vest in a graded manner. Under the fair value method, the estimated fair value of awards is charged to income over the requisite service period, which is generally the vesting period of the award, for each separately vesting portion of the award as if the award was, in substance, multiple awards. We include a forfeiture estimate in the amount of compensation expense being recognized based on our estimate of equity instrument that will eventually vest.

IFRS 2 requires the use of a valuation model to calculate the fair value of share-based awards. Based on our judgment, we have elected to use the Black-Scholes-Merton pricing model to determine the fair value of share-based awards on the date of grant. RSUs are measured based on the fair market value of the underlying shares on the date of grant. Further, each of the 2006 Incentive Award Plan and the 2016 Incentive Award Plan also allows for the grant of RSUs based on the market price of our shares achieving a specified target over a period of time. The fair value of market-based share awards is determined using Monte-Carlo simulation. Certain RSUs based on the market price of our shares were modified to vest on a longer timeframe. The additional cost as a result of such modification in respect of modified share awards amounted to \$1.2 million. The additional cost is amortized over the period from the modification date until the vesting date of the modified award, which differ from the vesting date of the original award.

We believe the Black-Scholes-Merton model to be the most appropriate model for determination of fair value of the share-based awards. In determining the fair value of share-based awards using the Black-Scholes-Merton option pricing model, we are required to make certain estimates of the key assumptions that include expected term, expected volatility of our shares, dividend yield and risk free interest rate. Estimating these key assumptions involves judgment regarding subjective future expectations of market prices and trends. The assumptions for expected term and expected volatility have the most significant effect on calculating the fair value of our share options. We use the historical volatility of our ADSs in order to estimate future share price trends. In order to determine the estimated period of time that we expect employees to hold their share-based options, we have used historical exercise pattern of employees. The aforementioned inputs entered into the option valuation model that we use to determine the fair value of our share awards are subjective estimates and changes to these estimates will cause the fair value of our share-based awards and related share-based compensation expense we record to vary.



We are required to estimate the share-based awards that we expect to vest and to reduce share-based compensation expense for the effects of estimated forfeitures of awards over the expense recognition period. Although we estimate forfeitures based on historical experience and other factors, actual forfeitures in the future may differ. To the extent our actual forfeitures are different than our estimates, we record a true-up for the difference in the period in which the awards vest, and such true-ups could materially affect our operating results.

We record deferred tax assets for share-based awards based on the future tax deduction which will be based on our ADS price at the reporting date. If the amount of the future tax deduction exceeds the cumulative amount of share-based compensation expense, the excess deferred tax is directly recognized in equity.



Business Combinations, Goodwill and Intangible Assets

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred at the date of acquisition. The cost of the acquisition also includes the fair value of any contingent consideration. As a part of acquisition accounting, we allocate the purchase price of acquired companies to the identified tangible and intangible assets based on the estimated fair values on the date of the acquisition. The purchase price allocation process requires management to make significant estimates and assumptions, especially at acquisition date with respect to intangible assets, income taxes, contingent consideration and estimated restructuring liabilities. Although we believe the assumptions and estimates we have made in the past have been reasonable and appropriate, they are based in part on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Examples of critical estimates in valuing certain of the intangible assets we have acquired or may acquire in the future include but are not limited to appropriate method of valuation, future cash flow projections, weighted average cost of capital, discount rates, risk-free rates, market rate of return and risk premiums.

Unanticipated events and circumstances may occur which may affect the accuracy or validity of such assumptions, estimates or actual results.

Goodwill is initially measured at cost, being the excess of the cost of the acquisition of the acquiree over our share of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities on the date of the acquisition. If the cost of acquisition is less than the fair value of the net assets of the business acquired, the difference is recognized immediately in the income statement. Goodwill is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The goodwill impairment test is performed at the level of cash-generating unit or groups of cash-generating units which represent the lowest level at which goodwill is monitored for internal management purposes.

We use market related information and estimates (generally risk adjusted discounted cash flows) to determine the fair values. Cash flow projections take into account past experience and represents management's best estimate about future developments. Key assumptions on which management has based its determination of fair value less costs of disposal and value in use include estimated growth rates, weighted average cost of capital and tax rates. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any goodwill impairment. See also the discussion on impairment testing under "—Impairment of Goodwill and Intangible Assets" below.

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to us and the cost can be reliably measured. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition determined using generally accepted valuation methods appropriate for the type of intangible asset. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Intangible assets with finite lives are amortized over the estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated and consumed. These estimates are reviewed at least at each financial year end. Intangible assets with indefinite lives are not amortized, but instead are tested for impairment at least annually and written down to the fair value as required. See also the discussion on impairment testing under "— Impairment of Goodwill and Intangible Assets" below.

Impairment of Goodwill and Intangible Assets

Goodwill is not subject to amortization and is instead tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the cash generating unit level, which is the lowest level for which there are separately identifiable cash flows. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating units (or group of cash generating units) and then, to reduce the carrying amount of the other assets in the cash generating unit (or group of cash generating units) on a pro rata basis. Intangible assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.



An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the value in use, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. In arriving at our forecasts, we consider past experience, economic trends including underlying current dynamics of the business and inflation as well as industry and market trends. The projections also take into account factors such as the expected impact from new client contracts and expansion of business from existing clients, efficiency initiatives, and the maturity of the markets in which each business operates. To determine the fair value less costs of disposal the management uses Level 3 inputs under the "Income Approach — Discounted Cash Flow Analysis" method. See note 9 to our consolidated financial statements included elsewhere in this annual report. The actual results of recoverable amount may vary, and may cause significant adjustments to our assets within the next financial year. The calculation of impairment loss involves significant estimates and assumptions which include revenue and earnings multiples, inputs used by market participants, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, and future economic and market conditions.



In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

We cannot predict the occurrence of future events that might adversely affect the reported value of goodwill, intangible assets. Such events include, but are not limited to, strategic decisions made in response to economic and competitive conditions, the impact of the environment on our customer base, and material negative changes in relationships with significant customers.

Income Taxes

Income tax comprises current and deferred tax. Income tax expense is recognized in statements of income except to the extent it relates to items directly recognized in equity, in which case it is recognized in equity.

Current Income Tax

As part of the process of preparing our consolidated financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. We are subject to tax assessments in each of these jurisdictions. Current income taxes for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profit for the period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. We offset current tax assets and current tax liabilities, where we have a legally enforceable right to set off the recognized amounts and where we intend either to settle on a net basis, or to realize the asset and liability simultaneously.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Though we have considered all these issues in estimating our income taxes, there could be an unfavorable resolution of such issues that may affect results of our operations.

Deferred Income Tax

We recognize deferred income tax using the balance sheet approach. Deferred income tax assets and liabilities are recognized for all deductible temporary differences arising between the tax bases of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of transaction.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax asset in respect of carry forward of unused tax credits and unused tax losses are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

The measurement of deferred tax assets involves judgment regarding the deductibility of costs not yet subject to taxation and estimates regarding sufficient future taxable income to enable utilization of unused tax losses in different tax jurisdictions. We consider the expected reversal of deferred tax assets and projected future taxable income in making this assessment. All deferred tax assets are subject to review of probable utilization. The assessment of the probability of future taxable profit in various years in which deferred tax assets can be utilized is based on the latest approved budget forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the various jurisdictions in which we operate are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

We recognize deferred tax liabilities for all taxable temporary differences, except those associated with investments in subsidiaries and associates where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.



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As part of our accounting for business combinations, some of the purchase price is allocated to goodwill and intangible assets. Impairment charges associated with goodwill are generally not tax deductible and will result in an increased effective income tax rate in the quarter any impairment is recorded. Amortization expenses associated with acquired intangible assets are generally not tax deductible pursuant to our existing tax structure; however, deferred taxes have been recorded for non-deductible amortization expenses as a part of the purchase price allocation process. We have taken into account the allocation of these identified intangibles among different taxing jurisdictions, including those with nominal or zero percent tax rates, in establishing the related deferred tax liabilities. Income tax contingencies existing as of the acquisition dates of the acquired companies are evaluated quarterly and any adjustments are recorded as adjustments to goodwill during the measurement period.

Uncertainties in income taxes are not addressed specifically in IAS12 "*Income Taxes*" and hence the general measurement principles in IAS12 are applied in measuring the uncertain tax positions. Uncertain tax positions are reflected at the amount likely to be paid to the taxation authorities. A liability is recognized in connection with each item that is not probable of being sustained on examination by taxing authority. The liability is measured using single best estimate of the most likely outcome for each position taken in the tax return. Thus the provision would be the aggregate liability in connection with all uncertain tax positions. We also include interest related to such uncertain tax positions within our provision for income tax expense.

Evaluation of tax positions and recognition of provisions, as discussed above, involves interpretation of tax laws, estimates of probabilities of tax positions being sustained and the amounts of payments to be made under various scenarios. Although we believe we are adequately reserved for our unresolved disputes with the taxation authorities, no assurance can be given with respect to the final outcome on these matters. To the extent that the final outcome on these matters is different than the amounts recorded, such differences will impact our provision for income taxes in the period in which such a determination is made.



Derivative Financial Instruments and Hedge Accounting

We are exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations, forecasted cash flows denominated in foreign currency and fluctuation in interest rates. We limit the effect of foreign exchange rate fluctuation by following established risk management policies including the use of derivatives. We enter into derivative financial instruments where the counter party is a bank. We use derivative financial instruments such as foreign exchange forward, option contracts, currency swaps and interest rate swaps to hedge certain foreign currency and interest rate exposures. Forward and option contracts on various foreign currencies are entered into to manage the foreign currency exchange rate risk on forecasted transactions denominated in foreign currencies and monetary assets and liabilities held in non-functional currencies. Interest rate swaps are entered into to manage interest rate risk associated with floating rate borrowings. Our primary exchange rate exposures are with the US dollar or the pound sterling against the Indian rupee.

Cash Flow Hedges

We recognize derivative instruments as either assets or liabilities in the statement of financial position at fair value. Derivative instruments qualify for hedge accounting when the instrument is designated as a hedge; the hedged item is specifically identifiable and exposes us to risk; and it is expected that a change in fair value of the derivative instrument and an opposite change in the fair value of the hedged item will have a high degree of correlation. Determining that there is a high degree of correlation between the change in fair value of the hedged item and the derivative instruments involves significant judgment including the probability of the occurrence of the forecasted transaction. Although our estimates of the forecasted transactions are based on historical experience and we believe that they are reasonable, the final occurrence of such transactions could be different as a result of external factors such as industry and economic trends, and internal factors such as changes in our business strategy and our internal forecasts, which will have a material effect on our earnings.

For derivative instruments where hedge accounting is applied, we record the effective portion of derivative instruments that are designated as cash flow hedges in other comprehensive income (loss) in the statement of comprehensive income, which is reclassified into earnings in the same period during which the hedged item affects earnings. The remaining gain or loss on the derivative instrument in excess of the cumulative change in the present value of future cash flows of the hedged item, if any (i.e., the ineffective portion) or hedge components excluded from the assessment of effectiveness, and changes in fair value of other derivative instruments not designated as qualifying hedges is recorded as gains/losses, net in the consolidated statement of income. Gains / losses on cash flow hedges on intercompany forecasted revenue transactions are recorded in foreign exchange gains/losses and cash flow hedge on interest rate swaps are recorded in finance expense. Cash flows from the derivative instruments are classified within cash flows from operating activities in the statement of cash flows.

Fair Value Measurements

IFRS 13 "*Fair Value Measurements*" ("IFRS 13") defines fair value as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation models. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, credit risk, foreign exchange rates, and forward and spot prices for currencies.

IFRS 7 "*Financial Instruments: Disclosures*" also requires the classification of fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements as below:

Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3 — techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value is estimated using the discounted cash flow approach and market rates of interest. The valuation technique involves assumptions and judgments regarding risk characteristics of the instruments, discount rates and future cash flows.

Management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where



applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.



Other Estimates

Allowance for Doubtful Accounts

We make estimates of the uncollectability of our accounts receivable based on historical trends and other factors such as ageing and economic trends. Adverse economic conditions or other factors that might cause deterioration of the financial health of customers could change the timing and levels of payments received and necessitate a change in estimated losses.

Accounting for Defined Benefit Plans

In accounting for pension and post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by us may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

Results of Operations

The following table sets forth certain financial information as a percentage of revenue and revenue less repair payments (non-GAAP) for the periods indicated:

	As a percentage of					
	Revenue			Revenue less repair payments (non-GAAP)		
	Year ended March 31,			Year ended March 31,		
	2017	2016	2015	2017	2016	2015
Cost of revenue	66.9%	65.0%	64.2%	65.6%	62.9%	62.0%
Gross profit	33.1%	35.0%	35.8%	34.4%	37.1%	38.0%
Operating expenses:						
Selling and marketing expenses	5.4%	5.5%	5.8%	5.6%	5.8%	6.2%
General and administrative expenses	15.2%	14.0%	13.1%	15.9%	14.9%	13.9%
Foreign exchange loss / (gains), net	(2.4)%	(2.0)%	(0.9)%	(2.5)%	(2.1)%	(0.9)%
Impairment of goodwill	3.6%	—	—	3.7%	—	—
Amortization of intangible assets	3.4%	4.5%	4.5%	3.6%	4.7%	4.8%
Operating profit	7.8%	13.0%	13.2%	8.2%	13.7%	14.0%
Other (income) / expense, net	(1.4)%	(1.5)%	(2.2)%	(1.5)%	(1.6)%	(2.4)%
Finance expense	0.1%	0.0%	0.2%	0.1%	0.1%	0.3%
Provision for income taxes	2.9%	3.8%	4.2%	3.0%	4.0%	4.5%
Profit	6.3%	10.7%	11.0%	6.5%	11.3%	11.7%

The following table reconciles revenue (a GAAP financial measure) to revenue less repair payments (a non-GAAP financial measure) and sets forth payments to repair centers and revenue less repair payments (non-GAAP) as a percentage of revenue for the periods indicated:

	Year ended March 31,					
	2017	2016	2015	2017	2016	2015
	(US dollars in millions)					
Revenue	\$602.5	\$562.2	\$533.9	100.0%	100%	100.0%
Less: Payments to repair centers	24.1	31.2	30.9	4.0%	5.5%	5.8%
Revenue less repair payments (non-GAAP)	\$578.4	\$531.0	\$503.0	96.0%	94.5%	94.2%



The following table presents our results of operations for the periods indicated:

	Year ended March 31,		
	2017	2016	2015
	(US dollars in millions)		
Revenue	\$602.5	\$562.2	\$533.9
Cost of revenue ⁽¹⁾	403.3	365.4	342.7
Gross profit	199.2	196.8	191.2
Operating expenses:			
Selling and marketing expenses ⁽²⁾	32.6	30.8	31.1
General and administrative expenses ⁽³⁾	91.7	78.9	70.0
Foreign exchange loss / (gains), net	(14.5)	(11.0)	(4.6)
Impairment of goodwill	21.7	—	—
Amortization of intangible assets	20.5	25.2	24.2
Operating profit	47.2	72.8	70.5
Other income, net	(8.7)	(8.5)	(11.9)
Finance expense	0.5	0.3	1.3
Profit before income taxes	55.3	81.1	81.0
Provision for income taxes	17.5	21.2	22.4
Profit	<u>\$ 37.8</u>	<u>\$ 59.9</u>	<u>\$ 58.6</u>

Notes:

- (1) Includes share-based compensation expense of \$2.8 million for fiscal 2017, \$1.9 million for fiscal 2016 and \$0.9 million for fiscal 2015.
- (2) Includes share-based compensation expense of \$1.7 million for fiscal 2017, \$1.4 million for fiscal 2016 and \$0.8 million for fiscal 2015.
- (3) Includes share-based compensation expense of \$18.5 million for fiscal 2017, \$14.6 million for fiscal 2016 and \$7.9 million for fiscal 2015.

**Fiscal 2017 Compared to Fiscal 2016**

The following table sets forth our revenue and percentage change in revenue for the periods indicated:

Revenue

	Year ended March 31,		Change	% Change
	2017	2016		
	(US dollars in millions)			
Revenue	\$ 602.5	\$ 562.2	\$ 40.4	7.2%

The increase in revenue of \$40.4 million was primarily attributable to (i) revenue from new clients of \$35.8 million including revenue from clients of acquired businesses during fiscal 2017, (ii) an increase in revenue from existing clients of \$4.1 million, and (iii) an increase in hedging gain on our revenue by \$0.4 million to \$6.8 million in fiscal 2017 from \$6.4 million in fiscal 2016. The increase in revenue was primarily due to higher volumes in our diversified businesses, travel, healthcare, and shipping and logistics verticals. The increase in revenue was partially offset by the impact of a lower volume of business from one of our top five clients by revenue contribution in fiscal 2016, and lower volumes in our banking and financial services, insurance, and consulting and professional services verticals. The increase was also partially offset by a depreciation of the pound sterling and South African rand by an average of 13.4% and 2.3%, respectively, against the US dollar, as compared to the respective average exchange rates in fiscal 2016.

Revenue by Geography

The following table sets forth the composition of our revenue based on the location of our clients in our key geographies for the periods indicated:

	Revenue		As a percentage of Revenue	
	Year ended March 31,			
	2017	2016	2017	2016
	(US dollars in millions)			
UK	\$ 248.6	\$ 264.9	41.3%	47.1%
North America (primarily the US)	196.2	155.3	32.6%	27.6%
Australia	49.1	40.3	8.1%	7.2%
South Africa	42.7	30.1	7.1%	5.4%
Europe (excluding the UK)	37.5	34.7	6.2%	6.2%
Rest of world	28.5	36.8	4.7%	6.5%
Total	\$ 602.5	\$ 562.2	100.0%	100.0%

The increase in revenue in North America (primarily the US) was primarily driven by higher volumes in our travel, diversified businesses, healthcare, consulting and professional services, shipping and logistics, banking and financial services and utilities verticals and revenues from clients of businesses acquired in fiscal 2017. The increase in revenue from the South Africa region was primarily attributable to higher volumes in our diversified businesses and utilities verticals, partially offset by lower volumes in our banking and financial services, and travel vertical. The increase in revenue from the Australia region was primarily attributable to higher volumes in our insurance, travel, and shipping and logistics verticals, partially offset by a lower volume in our utilities vertical. The increase in revenue from the Europe (excluding the UK) region was primarily attributable to higher volumes in our healthcare and travel verticals, partially offset by a lower volume in our insurance vertical. The decrease in revenue from the UK region was primarily attributable to lower volumes in our insurance, consulting and professional services, travel, and utilities verticals, partially offset by higher volumes in our healthcare, diversified businesses, and banking and financial services verticals. The decrease in revenue from the Rest of world region was primarily attributable to lower volumes in our banking and financial services, travel, and diversified businesses verticals, partially offset by a higher volume in our insurance vertical.

Revenue Less Repair Payments (non-GAAP)

The following table sets forth our revenue less repair payments (non-GAAP) and percentage change in revenue less repair payments (non-GAAP) for the periods indicated:

	Year ended March 31,		Change	% Change
	2017	2016		
	(US dollars in million)			
Revenue less repair payments (non-GAAP)	\$ 578.4	\$ 531.0	\$ 47.4	8.9%



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The increase in revenue less repair payments (non-GAAP) of \$47.4 million was primarily attributable to (i) revenue less repair payments (non-GAAP) from new clients of \$35.0 million, including revenue from clients of acquired businesses during fiscal 2017, (ii) an increase in revenue less repair payments (non-GAAP) from existing clients of \$12.0 million, and (iii) an increase in hedging gain on our revenue less repair payments (non-GAAP) by 0.4 million to \$6.8 million in fiscal 2017 from \$6.4 million in fiscal 2016. The increase in revenue was primarily due to higher volumes in our diversified businesses, travel, healthcare, shipping and logistics, and insurance verticals. The increase in revenue was partially offset by the impact of a lower volume of business from one of our top five clients by revenue contribution in fiscal 2016, and lower volumes in our banking and financial services, and consulting and professional services verticals. The increase was also partially offset by a depreciation of the pound sterling and South African rand by an average of 13.4% and 2.3%, respectively, against the US dollar, as compared to the respective average exchange rates in fiscal 2016.

Revenue Less Repair Payments (non-GAAP) by Geography

The following table sets forth the composition of our revenue less repair payments (non-GAAP) based on the location of our clients in our key geographies for the periods indicated:

	Revenue less repair payments (non-GAAP)		As a percentage of revenue less repair payments (non-GAAP)	
	Year ended March 31,			
	2017	2016	2017	2016
	(US dollars in millions)			
UK	\$ 224.5	\$ 233.7	38.8%	44.0%
North America (primarily the US)	196.2	155.3	33.9%	29.3%
Australia	49.1	40.3	8.5%	7.6%
South Africa	42.7	30.1	7.4%	5.7%
Europe (excluding the UK)	37.5	34.7	6.5%	6.5%
Rest of world	28.5	36.8	4.9%	6.9%
Total	\$ 578.4	\$ 531.0	100%	100%

The increase in revenue less repair payments (non-GAAP) in North America (primarily the US) was primarily driven by higher volumes in our travel, diversified businesses, healthcare, consulting and professional services, shipping and logistics, banking and financial services, utilities verticals and revenues from clients of businesses acquired in fiscal 2017. The increase in revenue less repair payments (non-GAAP) from the South Africa region was primarily attributable to higher volumes in our diversified businesses and utilities verticals, partially offset by lower volumes in our banking and financial services, and travel vertical. The increase in revenue less repair payments (non-GAAP) from the Australia region was primarily attributable to higher volumes in our insurance, travel, and shipping and logistics verticals, partially offset by a lower volume in our utilities vertical. The increase in revenue less repair payments (non-GAAP) from the Europe (excluding the UK) region was primarily attributable to higher volumes in our healthcare and travel verticals, partially offset by a lower volume in our insurance vertical. The decrease in revenue less repair payments (non-GAAP) from the UK region was primarily attributable to lower volumes in our insurance, consulting and professional services, travel, and utilities verticals, partially offset by higher volumes in our healthcare, diversified businesses, and banking and financial services verticals. The decrease in revenue less repair payments (non-GAAP) from the Rest of world region was primarily attributable to lower volumes in our banking and financial services, travel, and diversified businesses verticals, partially offset by a higher volume in our insurance vertical.

Cost of Revenue

The following table sets forth the composition of our cost of revenue for the periods indicated:

	Year ended March 31,		Change
	2017	2016	
	(US dollars in millions)		
Employee costs	\$ 249.7	\$ 217.1	\$ 32.6
Facilities costs	72.6	64.8	7.7
Repair payments	24.1	31.2	(7.1)
Depreciation	16.4	14.9	1.5
Travel costs	10.6	10.3	0.2
Legal and professional costs	6.5	7.0	(0.5)
Other costs	23.4	20.0	3.4
Total cost of revenue	<u>\$ 403.3</u>	<u>\$ 365.4</u>	<u>\$ 38.0</u>
As a percentage of revenue	66.9%	65.0%	



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The increase in cost of revenue was primarily due to higher employee cost on account of higher headcount (including headcount of businesses acquired during fiscal 2017), wage inflation, an increase in share-based compensation expense; higher facilities costs; increase in subcontracting costs; and higher depreciation costs. These increases were partially offset by lower repair payments; and lower legal and professional costs. Further, the depreciation of the Indian rupee and South African rand against the US dollar by an average of 2.6% and 2.3%, respectively, in fiscal 2017, as compared to the average exchange rate in fiscal 2016, resulted in a decrease of approximately \$6.0 million in the cost of revenue.

Gross Profit

The following table sets forth our gross profit for the periods indicated:

	Year ended March 31,		Change
	2017	2016	
	(US dollars in millions)		
Gross profit	\$ 199.2	\$ 196.8	\$ 2.4
As a percentage of revenue	33.1%	35.0%	
As a percentage of revenue less repair payments (non-GAAP)	34.4%	37.1%	

Gross profit as a percentage of revenue and revenue less repair payments (non-GAAP) decreased primarily due to higher cost of revenue as discussed above. Cost of revenue was higher notwithstanding the depreciation of the Indian rupee and South African rand against the US dollar by an average of 2.6% and 2.3%, respectively, in fiscal 2017, as compared to the average exchange rate for fiscal 2016. This increase in cost of revenue was partially offset by higher revenue, and an increase in hedging gain on our revenue by \$0.4 million to \$6.8 million in fiscal 2017 from \$6.4 million in fiscal 2016.

During fiscal 2017, our built up seats increased by 6.1% from 26,407 as at the end of fiscal 2016 to 28,008 as at the end of fiscal 2017 as we expanded our existing facility in Gurgaon, India, and added new facilities in South Africa. Our expansion of the facility in Gurgaon was part of our strategy to expand our delivery capabilities, including in the SEZ in India. Further, we added new facilities in Pune and Noida, India, Turkey and the US due to our acquisitions of Value Edge, Denali and HealthHelp during fiscal 2017. Our total headcount increased by 4.9% from 32,388 to 33,968 during the same period, resulting in an increase in our seat utilization rate from 1.21 in fiscal 2016 to 1.22 in fiscal 2017. This 0.01 increase in our seat utilization rate increased our gross profit as a percentage of revenue by approximately 0.08% and increased our gross profit as a percentage of revenue less repair payments (non-GAAP) by approximately 0.09%.

Selling and Marketing Expenses

The following table sets forth the composition of our selling and marketing expenses for the periods indicated:

	Year ended March 31,		Change
	2017	2016	
	(US dollars in millions)		
Employee costs	\$ 24.7	\$ 22.3	\$ 2.4
Other costs	7.9	8.5	(0.6)
Total selling and marketing expenses	\$ 32.6	\$ 30.8	\$ 1.8
As a percentage of revenue	5.4%	5.5%	
As a percentage of revenue less repair payments (non-GAAP)	5.6%	5.8%	

The increase in selling and marketing expenses was primarily due to an increase in employee costs as a result of an increase in sales headcount and wage inflation, and higher travel cost, partially offset by lower marketing costs. Further, the depreciation of the pound sterling against the US dollar by an average of 13.4% in fiscal 2017, as compared to the average exchange rate for fiscal 2016, resulted in a decrease of approximately \$1.4 million of selling and marketing expenses. Our selling and marketing expenses also increased as a result of our acquisitions during fiscal 2017.



General and Administrative Expenses

The following table sets forth the composition of our general and administrative expenses for the periods indicated:

	Year ended March 31,		Change
	2017	2016	
	(US dollars in millions)		
Employee costs	\$ 68.9	\$ 60.1	\$ 8.8
Other costs	22.8	18.8	4.1
Total general and administrative expenses	\$ 91.7	\$ 78.9	\$ 12.8
As a percentage of revenue	15.2%	14.0%	
As a percentage of revenue less repair payments (non-GAAP)	15.9%	14.9%	

The increase in general and administrative expenses was primarily due to an increase in employee costs as a result of higher salaries on account of a higher headcount, wage inflation and higher share-based compensation expenses primarily due to an increase in grant date fair value of RSUs; higher legal and professional expenses (including costs related to our acquisitions) and higher other costs. Further, the depreciation of the Indian rupee and South African rand against the US dollar by an average of 2.6% and 2.3%, respectively, for fiscal 2017, as compared to the respective average exchange rates for fiscal 2016, resulted in a decrease of approximately \$1.1 million in general and administrative expenses.

Foreign Exchange Loss / (Gains), Net

The following table sets forth our foreign exchange loss / (gains), net for the periods indicated:

	Year ended March 31,		Change
	2017	2016	
	(US dollars in millions)		
Foreign exchange loss / (gains), net	\$ (14.5)	\$ (11.0)	\$ (3.5)

The foreign exchange gains were higher primarily due to higher gains of \$2.8 million from our rupee and pound denominated hedge contracts as a result of a depreciation of the pound sterling against the US dollar, and a higher foreign currency revaluation gain of \$0.8 million arising from a \$3.9 million gain in fiscal 2017 compared to a gain of \$3.1 million in fiscal 2016. We expect our foreign exchange gains to be higher in fiscal 2018 as compared to fiscal 2017, based on our current hedge positions and exchange rates.

Impairment of Goodwill

	Year ended March 31,		Change
	2017	2016	
	(US dollars in millions)		
Impairment of Goodwill	\$ 21.7	\$ 0.0	\$ 21.7

During the fourth quarter of fiscal 2017, proposed changes to the laws of the UK governing personal injury claims generated uncertainty regarding the future earnings trajectory of our legal services business in our WNS Auto Claims BPM segment, as a result of which we expect that we will eventually exit from providing legal services in relation to personal injury claims. We have also experienced a decrease in volume of and loss of business from certain clients of our traditional repair services in our WNS Auto Claims BPM segment. As a result, we expect the future performance of our WNS Auto Claims BPM segment to decline significantly and we have therefore significantly reduced our financial projections and estimates of our WNS Auto Claims BPM segment. We performed an impairment review of the goodwill associated with the companies we had acquired for our auto claims business and recorded an impairment charge of \$21.7 million to our results of operations for fiscal 2017.



Amortization of Intangible Assets

The following table sets forth our amortization of intangible assets for the periods indicated:

	<u>Year ended March 31,</u>		<u>Change</u>
	<u>2017</u>	<u>2016</u>	
	(US dollars in millions)		
Amortization of intangible assets	\$ 20.5	\$ 25.2	\$ (4.7)

The decrease in amortization of intangible assets was primarily attributable to the completion of amortization in November 2016 of intangible assets associated with our acquisition of Aviva Global made in July 2008, partially offset by the amortization of intangible assets arising out of our acquisitions of Value Edge, Denali and HealthHelp in fiscal 2017, and depreciation of the Indian rupee and South African rand against the US dollar by an average of 2.6% and 2.3%, respectively, in fiscal 2017, as compared to the respective average exchange rates in fiscal 2016.

Operating Profit

The following table sets forth our operating profit for the periods indicated:

	<u>Year ended March 31,</u>		<u>Change</u>
	<u>2017</u>	<u>2016</u>	
	(US dollars in millions)		
Operating profit	\$ 47.2	\$ 72.8	\$(25.7)
As a percentage of revenue	7.8%	13.0%	
As a percentage of revenue less repair payments (non-GAAP)	8.2%	13.7%	

Operating profit as a percentage of revenue and revenue less repair payments (non-GAAP) is lower due to higher cost of revenue, impairment of goodwill accounted in fiscal 2017 and higher general and administrative expenses, partially offset by higher revenue, lower selling and marketing expenses, higher foreign exchanges gains and lower amortization expenses.



Other income, net

The following table sets forth our other income, net for the periods indicated:

	<u>Year ended March 31,</u>		<u>Change</u>
	<u>2017</u>	<u>2016</u>	
	(US dollars in millions)		
Other income, net	\$ (8.7)	\$ (8.5)	\$ (0.2)

Other income was higher primarily due to higher cash and cash equivalents and investments partially offset by lower interest yield and earnings due to reduced funds as funds were utilized for our share repurchases in fiscal 2017.

Finance Expense

The following table sets forth our finance expense for the periods indicated:

	<u>Year ended March 31,</u>		<u>Change</u>
	<u>2017</u>	<u>2016</u>	
	(US dollars in millions)		
Finance expense	\$ 0.5	\$ 0.3	\$ 0.2

Finance expense increased primarily on account of interest on long term loans obtained during the year to fund our acquisitions of Denali and HealthHelp.

Provision for Income Taxes

The following table sets forth our provision for income taxes for the periods indicated:

	<u>Year ended March 31,</u>		<u>Change</u>
	<u>2017</u>	<u>2016</u>	
	(US dollars in millions)		
Provision for income taxes	\$ 17.5	\$ 21.2	\$ (3.7)

Provision for income taxes was lower primarily on account of a one-time benefit of \$1.2 million resulting from a delivery location becoming profitable and reversal of a tax provision of \$1.5 million pertaining to previous fiscal years during fiscal 2017.

Profit

The following table sets forth our profit for the periods indicated:

	<u>Year ended March 31,</u>		<u>Change</u>
	<u>2017</u>	<u>2016</u>	
	(US dollars in millions)		
Profit	\$ 37.8	\$ 59.9	\$(22.1)
As a percentage of revenue	6.3%	10.7%	
As a percentage of revenue less repair payments (non-GAAP)	6.5%	11.3%	

The decrease in profit was primarily on account of lower operating profit and higher finance expense, partially offset by lower provision for income taxes and higher other income. Our acquisitions in fiscal 2017 contributed to a decrease in profit primarily due to transaction and integration costs. Value Edge contributed \$0.2 million to our profit for fiscal 2017, but HealthHelp generated a loss of \$0.3 million and Denali generated a loss of \$0.2 million for fiscal 2017.



Fiscal 2016 Compared to Fiscal 2015

The following table sets forth our revenue and percentage change in revenue for the periods indicated:

Revenue

	Year ended March 31,		Change	% Change
	2016	2015		
Revenue	\$ 562.2	\$ 533.9	\$ 28.3	5.3%

(US dollars in millions)

The increase in revenue of \$28.3 million was primarily attributable to revenue from new clients of \$17.4 million, an increase in revenue from existing clients of \$7.4 million, and an increase in hedging gain on our revenue by \$3.5 million to \$6.4 million in fiscal 2016 from \$2.9 million in fiscal 2015. The increase in revenue was primarily due to higher volumes in our shipping and logistics, diversified businesses, utilities, travel, consulting and professional services, and healthcare verticals. The increase in revenue was partially offset by the impact of a lower volume of business from one of our top five clients by revenue contribution in fiscal 2015 and 2014, and lower volumes in our insurance vertical. The increase was also partially offset by a depreciation of the pound sterling, South African rand and Australian dollar by an average of 6.4%, 24.3% and 15.8%, respectively, against the US dollar, as compared to the average exchange rate in fiscal 2015.

Revenue by Geography

The following table sets forth the composition of our revenue based on the location of our clients in our key geographies for the periods indicated:

	Revenue		As a percentage of Revenue	
	Year ended March 31,		Year ended March 31,	
	2016	2015	2016	2015
UK	\$ 264.9	\$ 281.9	47.1%	52.8%
North America (primarily the US)	155.3	138.5	27.6%	25.9%
Australia	40.3	34.2	7.2%	6.4%
Europe (excluding the UK)	34.7	28.8	6.2%	5.4%
South Africa	30.1	17.4	5.4%	3.3%
Rest of world	36.8	33.1	6.5%	6.2%
Total	\$ 562.2	\$ 533.9	100.0%	100%

(US dollars in millions)

The increase in revenue in North America (primarily the US) was primarily attributable to higher volumes in our consulting and professional services, travel, shipping and logistics, insurance, and utilities verticals, partially offset by lower volumes in our diversified businesses and banking and financial services verticals. The increase in revenue from the South Africa region was primarily attributable to higher volumes in our consulting and professional services and diversified businesses verticals, partially offset by a lower volume in our banking and financial services vertical. The increase in revenue from the Australia region was primarily attributable to higher volumes in our utilities, diversified businesses, and shipping and logistics verticals. The increase in revenue from the Europe (excluding the UK) region was primarily attributable to a higher volume in our diversified businesses vertical, partially offset by lower volumes in our insurance, consulting and professional services, and healthcare verticals. The increase in revenue from the Rest of world region was primarily attributable to higher volumes in our shipping and logistics, and banking and financial services verticals, partially offset by lower volumes in our insurance, and travel verticals. The decrease in revenue from the UK region was primarily attributable to lower volumes in our insurance, shipping and logistics, diversified businesses, and consulting and professional services verticals.

Revenue Less Repair Payments (non-GAAP)

The following table sets forth our revenue less repair payments (non-GAAP) and percentage change in revenue less repair payments (non-GAAP) for the periods indicated:

	Year ended March 31,		Change	% Change
	2016	2015		
Revenue less repair payments (non-GAAP)	\$ 531.0	\$ 503.0	\$ 28.0	5.6%

(US dollars in million)



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The increase in revenue less repair payments (non-GAAP) of \$28.0 million was primarily attributable to revenue less repair payments (non-GAAP) from new clients of \$17.4 million, an increase in revenue less repair payments (non-GAAP) from existing clients of \$7.1 million, and an increase in hedging gain on our revenue less repair payments (non-GAAP) by \$3.5 million to \$6.4 million in fiscal 2016 from \$2.9 million in fiscal 2015. The increase in revenue less repair payments (non-GAAP) was primarily due to higher volumes in our shipping and logistics, diversified businesses, utilities, travel, consulting and professional services, and healthcare verticals. The increase in revenue less repair payments (non-GAAP) was partially offset by the impact of a lower volume of business from one of our top five clients by revenue less repair payments (non-GAAP) contribution in fiscal 2015 and 2014, and a lower volume in our insurance vertical. The increase was partially offset by a depreciation of the pound sterling, South African rand and Australian dollar by an average of 6.4%, 24.3% and 15.8%, respectively, against the US dollar, as compared to the average exchange rate in fiscal 2015.

Revenue Less Repair Payments (non-GAAP) by Geography

The following table sets forth the composition of our revenue less repair payments (non-GAAP) based on the location of our clients in our key geographies for the periods indicated:

	Revenue less repair payments (non-GAAP)		As a percentage of revenue less repair payments (non-GAAP)	
	Year ended March 31,			
	2016	2015	2016	2015
	(US dollars in millions)			
UK	\$ 233.7	\$ 251.1	44.0%	49.9%
North America (primarily the US)	155.3	138.5	29.3%	27.5%
Australia	40.3	34.2	7.6%	6.8%
Europe (excluding the UK)	34.7	28.8	6.5%	5.7%
South Africa	30.1	17.4	5.7%	3.5%
Rest of world	36.8	33.1	6.9%	6.6%
Total	\$ 531.0	\$ 503.0	100.0%	100.0%

The increase in revenue less repair payments (non-GAAP) in North America (primarily the US) was primarily attributable to higher volumes in our consulting and professional services, travel, shipping and logistics, insurance, and utilities verticals, partially offset by lower volumes in our diversified businesses and banking and financial services verticals. The increase in revenue less repair payments (non-GAAP) from the South Africa region was primarily attributable to higher volumes in our consulting and professional services, and diversified businesses verticals, partially offset by a lower volume in our banking and financial services vertical. The increase in revenue less repair payments (non-GAAP) from the Australia region was primarily attributable to higher volumes in our utilities, diversified businesses, and shipping and logistics verticals. The increase in revenue less repair payments (non-GAAP) from the Europe (excluding the UK) region was primarily attributable to a higher volume in our diversified businesses vertical, partially offset by lower volumes in our insurance, consulting and professional services, and healthcare verticals. The increase in revenue less repair payments (non-GAAP) from the Rest of world region was primarily attributable to higher volumes in our shipping and logistics, and banking and financial services verticals, partially offset by lower volumes in our insurance, and travel verticals. The decrease in revenue less repair payments (non-GAAP) from the UK region was primarily attributable to lower volumes in our insurance, shipping and logistics, diversified businesses, and consulting and professional services verticals.



Cost of Revenue

The following table sets forth the composition of our cost of revenue for the periods indicated:

	<u>Year ended March 31,</u>		<u>Change</u>
	<u>2016</u>	<u>2015</u>	
	(US dollars in millions)		
Employee costs	\$ 217.1	\$ 199.8	\$ 17.3
Facilities costs	64.8	64.7	0.2
Repair payments	31.2	30.9	0.3
Depreciation	14.9	13.9	1.0
Travel costs	10.3	9.5	0.8
Legal and professional costs	7.0	7.3	(0.3)
Other costs	20.0	16.8	3.2
Total cost of revenue	<u>\$ 365.4</u>	<u>\$ 342.7</u>	<u>\$ 22.6</u>
As a percentage of revenue	65.0%	64.2%	



The increase in cost of revenue was primarily due to higher employee cost on account of higher headcount, wage inflation and a \$2.5 million charge arising from the amendment to the India Payment of Bonus Act, 1965, adopted in December 2015, which increased employee bonus amounts for certain wage categories retroactively from April 1, 2014; higher other costs incurred to contract with claimants associated with our legal services business, and an increase in subcontracting costs; higher depreciation costs; higher travel costs; higher repair payments; and higher facilities costs. These increases were partially offset by lower legal and professional costs. Further, the depreciation of the Indian rupee and South African rand against the US dollar by an average of 7.1% and 24.3%, respectively, in fiscal 2016, as compared to the average exchange rate in fiscal 2015, resulted in a decrease of approximately \$17.3 million in the cost of revenue.

Gross Profit

The following table sets forth our gross profit for the periods indicated:

	Year ended March 31,		Change
	2016	2015	
	(US dollars in millions)		
Gross profit	\$ 196.8	\$ 191.2	\$ 5.6
As a percentage of revenue	35.0%	35.8%	
As a percentage of revenue less repair payments (non-GAAP)	37.1%	38.0%	

Gross profit as a percentage of revenue and revenue less repair payments (non-GAAP) decreased primarily due to higher cost of revenue as discussed above. Cost of revenue was higher notwithstanding the depreciation of the Indian rupee and South African rand against the US dollar by an average of 7.1% and 24.3%, respectively, in fiscal 2016, as compared to the average exchange rate for fiscal 2015. This increase in cost of revenue was partially offset by higher revenue, and an increase in hedging gain on our revenue by \$3.5 million to \$6.4 million in fiscal 2016 from \$2.9 million in fiscal 2015.

During fiscal 2016, our built up seats increased by 9.4% from 24,131 as at the end of fiscal 2015 to 26,407 as at the end of fiscal 2015 as we expanded our existing facilities in Gurgaon, India, South African and the Philippines, and added new facilities in South Africa, and the Philippines. This was part of our strategy to expand our delivery capabilities, including in the SEZ in India. Our total headcount increased by 12.1% from 28,890 to 32,388 during the same period, resulting in an increase in our seat utilization rate from 1.18 in fiscal 2015 to 1.21 in fiscal 2016. This 0.03 increase in our seat utilization rate increased our gross profit as a percentage of revenue by approximately 0.41% and increased our gross profit as a percentage of revenue less repair payments (non-GAAP) by approximately 0.44%.

Selling and Marketing Expenses

The following table sets forth the composition of our selling and marketing expenses for the periods indicated:

	Year ended March 31,		Change
	2016	2015	
	(US dollars in millions)		
Employee costs	\$ 22.3	\$ 23.1	\$ (0.7)
Other costs	8.5	8.0	0.5
Total selling and marketing expenses	\$ 30.8	\$ 31.1	\$ (0.2)
As a percentage of revenue	5.5%	5.8%	
As a percentage of revenue less repair payments (non-GAAP)	5.8%	6.2%	

The decrease in selling and marketing expenses was primarily due to a decrease in employee costs as a result of a decrease in sales headcount, and lower legal and professional expenses, partially offset by higher marketing costs. Further, the depreciation of the pound sterling against the US dollar by an average of 6.4% in fiscal 2016, as compared to the average exchange rate for fiscal 2015, resulted in a decrease of approximately \$0.7 million of selling and marketing expenses.



General and Administrative Expenses

The following table sets forth the composition of our general and administrative expenses for the periods indicated:

	<u>Year ended March 31,</u>		<u>Change</u>
	<u>2016</u>	<u>2015</u>	
	(US dollars in millions)		
Employee costs	\$ 60.1	\$ 48.3	\$ 11.8
Other costs	18.8	21.7	(2.9)
Total general and administrative expenses	\$ 78.9	\$ 70.0	\$ 8.9
As a percentage of revenue	14.0%	13.1%	
As a percentage of revenue less repair payments (non-GAAP)	14.9%	13.9%	



The increase in general and administrative expenses was primarily due to an increase in employee costs as a result of higher salaries on account of a higher headcount, wage inflation and higher share-based compensation expenses; higher travel cost, and higher legal and professional expenses, partially offset by lower facilities costs, and lower other costs. Further, the depreciation of the Indian rupee and South African rand against the US dollar by an average of 7.1% and 24.3%, respectively, for fiscal 2016, as compared to the average exchange rate for fiscal 2015, resulted in a decrease of approximately \$3.1 million in general and administrative expenses.

Foreign Exchange Loss / (Gains), Net

The following table sets forth our foreign exchange loss / (gains), net for the periods indicated:

	Year ended March 31,		Change
	2016	2015	
	(US dollars in millions)		
Foreign exchange loss / (gains), net	\$ (11.0)	\$ (4.6)	\$ (6.4)

The foreign exchange gains were primarily due to higher gains of \$2.1 million from our rupee and pound denominated hedge contracts as a result of a depreciation of the pound sterling against the US dollar, and a higher foreign currency revaluation gain of \$4.3 million arising from a \$3.1 million gain in fiscal 2016 from a loss of \$1.3 million in fiscal 2015.

Amortization of Intangible Assets

The following table sets forth our amortization of intangible assets for the periods indicated:

	Year ended March 31,		Change
	2016	2015	
	(US dollars in millions)		
Amortization of intangible assets	\$ 25.2	\$ 24.2	\$ 1.0

The increase in amortization of intangible assets was primarily attributable to the acquisition of a customer contract from Telkom, partially offset by the depreciation of the Indian rupee and South African rand against the US dollar by an average of 7.1% and 24.3%, respectively, in fiscal 2016, as compared to the average exchange rate in fiscal 2015.

Operating Profit

The following table sets forth our operating profit for the periods indicated:

	Year ended March 31,		Change
	2016	2015	
	(US dollars in millions)		
Operating profit	\$ 72.8	\$ 70.5	\$ 2.4
As a percentage of revenue	13.0%	13.2%	
As a percentage of revenue less repair payments (non-GAAP)	13.7%	14.0%	

Operating profit as a percentage of revenue and revenue less repair payments (non-GAAP) was lower due to higher cost of revenue, higher general and administrative expenses, and higher amortization expenses, partially offset by higher revenue, higher foreign exchanges gains and lower selling and marketing expenses.

Other income, net

The following table sets forth our other income, net for the periods indicated:

	Year ended March 31,		Change
	2016	2015	
	(US dollars in millions)		
Other income, net	\$ (8.5)	\$ (11.9)	\$ 3.4

Other income was lower primarily due to lower yield on our cash and cash equivalents and investments, as funds were utilized for our share repurchases in fiscal 2016.

*Finance Expense*

The following table sets forth our finance expense for the periods indicated:

	<u>Year ended March 31,</u>		<u>Change</u>
	<u>2016</u>	<u>2015</u>	
	(US dollars in millions)		
Finance expense	\$ 0.3	\$ 1.3	\$ (1.0)

Finance expense decreased primarily due to lower interest cost as a result of lower borrowings following scheduled repayments of our short term and long term loans.

Provision for Income Taxes

The following table sets forth our provision for income taxes for the periods indicated:

	<u>Year ended March 31,</u>		<u>Change</u>
	<u>2016</u>	<u>2015</u>	
	(US dollars in millions)		
Provision for income taxes	\$ 21.2	\$ 22.4	\$ (1.2)

Provision for income taxes was lower as the provision in fiscal 2015 included a \$1.7 million provision on account of a change in Indian tax law pursuant to the India Finance Act 2014. As a result of this change in Indian tax law, a number of debt FMPs in which we had invested and held for less than 36 months were re-categorized as short term capital assets and, accordingly, were subject to tax.

Profit

The following table sets forth our profit for the periods indicated:

	<u>Year ended March 31,</u>		<u>Change</u>
	<u>2016</u>	<u>2015</u>	
	(US dollars in millions)		
Profit	\$ 59.9	\$ 58.6	\$ 1.3
As a percentage of revenue	10.7%	11.0%	
As a percentage of revenue less repair payments (non-GAAP)	11.3%	11.7%	

The increase in profit was primarily on account of higher operating profit, lower finance expense, and lower provision for income taxes, partially offset by lower other income.

Results by Reportable Segment

For purposes of evaluating operating performance and allocating resources, we have organized our company by operating segments. See note 26 to our consolidated financial statements included elsewhere in this annual report. For financial statement reporting purposes, we aggregate the segments that meet the criteria for aggregation as set forth in IFRS 8 "Operating Segments." We have separately reported our Auto Claims BPM segment, as it does not meet the aggregation criteria under IFRS 8. Accordingly, pursuant to IFRS 8, we have two reportable segments: WNS Global BPM and WNS Auto Claims BPM.

WNS Global BPM is delivered out of our delivery centers in China, Costa Rica, India, the Philippines, Poland, Romania, South Africa, Sri Lanka, Turkey, the UK and the US. This segment includes all of our business activities with the exception of WNS Auto Claims BPM. WNS Auto Claims BPM is our automobile claims management business which is primarily based in the UK and is part of our insurance business unit. See "Part I — Item 4. Information on the Company — B. Business Overview — Business Process Management Service Offerings." We report WNS Auto Claims BPM as a separate segment for financial statement reporting purposes since a substantial part of our reported revenue in this business consists of amounts invoiced to our clients for payments made by us to third party automobile repair centers, resulting in lower long-term gross margins when measured on the basis of revenue, relative to the WNS Global BPM segment.

Our revenue is generated primarily from providing business process management services.



In our WNS Auto Claims BPM segment, we provide both “fault” and “non-fault” repairs. For “fault” repairs, we provide claims handling and repair management services, where we arrange for automobile repairs through a network of third party repair centers. In our repair management services, where we act as the principal in our dealings with the third party repair centers and our clients, the amounts which we invoice to our clients for payments made by us to third party repair centers are reported as revenue. Where we are not the principal in providing the services, we record revenue from repair services net of repair cost. Since we wholly subcontract the repairs to the repair centers, we evaluate the financial performance of our “fault” repair business based on revenue less repair payments (non-GAAP) to third party repair centers, which is a non-GAAP financial measure. We believe that revenue less repair payments (non-GAAP) for “fault” repairs reflects more accurately the value addition of the business process management services that we directly provide to our clients.

For our “non-fault” repairs business, we generally provide a consolidated suite of accident management services including credit hire and credit repair, and we believe that measurement of such business on a basis that includes repair payments in revenue is appropriate. Revenue including repair payments is therefore used as a primary measure to allocate resources and measure operating performance for accident management services provided in our “non-fault” repairs business. Our “non-fault” repairs business where we provide accident management services accounts for a relatively small portion of our revenue for our WNS Auto Claims BPM segment. In our WNS Auto Claims BPM segment, effective July 1, 2015, WNS Legal Assistance LLP, a subsidiary of WNS Assistance Limited, commenced providing legal services in relation to personal injury claims.

Revenue less repair payments is a non-GAAP financial measure which is calculated as (a) revenue less (b) in our auto claims business, payments to repair centers for “fault” repair cases where we act as the principal in our dealings with the third party repair centers and our clients. This non-GAAP financial information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP. Our revenue less repair payments (non-GAAP) may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

Our management allocates resources based on segment revenue less repair payments (non-GAAP) and measures segment performance based on revenue less repair payments (non-GAAP) and to a lesser extent on segment operating income. The accounting policies of our reportable segments are the same as those of our company. See “— Critical Accounting Policies.”

We may in the future change our reportable segments based on how our business evolves.

The following table shows revenue and revenue less repair payments (non-GAAP) for our two reportable segments for the periods indicated:

	Year ended March 31,					
	2017		2016		2015	
	WNS Global BPM	WNS Auto claims BPM	WNS Global BPM	WNS Auto claims BPM	WNS Global BPM	WNS Auto claims BPM
Segment revenue ⁽¹⁾	\$558.0	\$ 44.6	\$509.3	\$53.3	\$473.1	\$61.1
Less: Payments to repair centers	—	24.1	—	31.2	—	30.9
Revenue less repair payments (non-GAAP) ⁽¹⁾	558.0	20.5	509.3	22.1	473.1	30.2
Cost of revenue (excluding payments to repair centers) ⁽²⁾	361.0	15.6	314.5	18.2	292.3	18.9
Impairment of Goodwill	—	21.7	—	—	—	—
Other costs ⁽³⁾	84.7	4.9	77.6	5.2	82.1	5.8
Segment operating profit / (loss)	112.3	(21.6)	117.2	(1.2)	98.7	5.4
Other (income)/expense, net	(7.8)	(0.9)	(7.5)	(1.0)	(11.1)	(0.8)
Finance expense	0.5	0.0	0.3	0.0	1.3	—
Segment profit before income taxes	119.5	(20.7)	124.4	(0.2)	108.5	6.2
Provision for income taxes	17.4	0.1	20.9	0.3	21.2	1.2
Segment profit / (loss)	\$102.1	\$(20.8)	\$103.5	\$(0.5)	\$ 87.3	\$ 5.0



Notes:

- (1) Segment revenue and revenue less repair payments (non-GAAP) include inter-segment revenue of \$0.1 million for fiscal 2017, \$0.4 million for fiscal 2016 and \$0.2 million for fiscal 2015.
- (2) Cost of revenue includes inter-segment expenses of \$0.1 million for fiscal 2017, \$0.4 million for fiscal 2016 and \$0.2 million for fiscal 2015, and excludes share-based compensation expense of \$2.8 million for fiscal 2017, \$1.9 million for fiscal 2016 and \$0.9 million for fiscal 2015, which are not allocable between our segments.
- (3) Other costs include selling and marketing, general and administrative expense and foreign exchange gain/loss. Excludes share-based compensation expense of \$20.3 million for fiscal 2017, \$16.0 million for fiscal 2016 and \$8.6 million for fiscal 2015, which are not allocable between our segments.

WNS Global BPM accounted for 92.6% of our revenue and 96.4% of our revenue less repair payments (non-GAAP) in fiscal 2017 as compared to 90.5% of our revenue and 95.8% of our revenue less repair payments (non-GAAP) in fiscal 2016, and 88.6% of our revenue and 94.0% of our revenue less repair payments (non-GAAP) in fiscal 2015.

WNS Global BPM

Segment Revenue. Revenue in the WNS Global BPM segment increased by 9.6% to \$558.0 million in fiscal 2017 from \$509.3 million in fiscal 2016. This increase was primarily attributable to the increase in the volume of transactions executed for new and existing clients, with \$34.5 million being attributable to new clients, including revenue from clients of acquired businesses and \$13.8 million being attributable to existing clients. In addition, we had an increase in hedging gain on our revenue by \$0.4 million to \$6.8 million in fiscal 2017 from \$6.4 million in fiscal 2016. The increase was partially offset by a depreciation of the pound sterling and South African rand by an average of 13.4% and 2.3%, respectively, against the US dollar, as compared to the respective average exchange rates in fiscal 2016.

Revenue in the WNS Global BPM segment increased by 7.7% to \$509.3 million in fiscal 2016 from \$473.1 million in fiscal 2015. This increase was primarily attributable to the increase in the volume of transactions executed for new and existing clients, with \$17.4 million being attributable to new clients and \$7.4 million being attributable to existing clients. In addition, we had an increase in hedging gain on our revenue by \$3.5 million to \$6.4 million in fiscal 2016 from \$2.9 million in fiscal 2015. The increase was partially offset by a depreciation of the pound sterling, South African rand and Australian dollar by an average of 6.4%, 24.3% and 15.8%, respectively, against the US dollar as compared the respective average exchange rates in fiscal 2015.

Segment Operating Profit. Segment operating profit in the WNS Global BPM segment decreased by 4.2% to \$112.3 million in fiscal 2017 from \$117.2 million in fiscal 2016. The decrease was primarily attributable to higher cost of revenue, higher general and administrative expenses, and higher selling and marketing expense, partially offset by higher segment revenue and higher foreign exchange gains.

Our cost of revenue includes employee costs, facilities costs, depreciation, legal and professional costs, travel costs and other related costs. Employee related costs represent the largest component of our cost of revenue for the WNS Global BPM segment. Our cost of revenue increased by \$46.5 million to \$361.0 million in fiscal 2017 from \$314.5 million in fiscal 2016, primarily on account of (i) an increase in employee costs by \$33.6 million on account of higher headcount, (ii) an increase in facilities costs by \$11.0 million due to an expansion of our existing facility in Gurgaon, India, the addition of new facilities in South Africa and addition of new facilities due to our acquisitions of Value Edge, Denali, and HealthHelp, (iii) an increase in depreciation cost by \$1.6 million, and (iv) an increase in travel cost by \$0.3 million. Also, the depreciation of the Indian rupee and South African rand against the US dollar by an average of 2.6% and 2.3%, respectively, in fiscal 2017, as compared to the respective average exchange rates in fiscal 2016, resulted in a lower cost of revenue of approximately \$6.0 million.

Our other costs include selling and marketing expenses, general and administrative expenses and foreign exchange loss or gain. Our other costs increased by \$7.1 million to \$84.7 million in fiscal 2017 from \$77.6 million in fiscal 2016, primarily on account of (i) an increase in general and administrative expenses by \$9.4 million, and (ii) an increase in selling and marketing expenses by \$1.4 million partially offset by an increase in foreign exchange gain by \$3.7 million.

General and administrative expenses increased by \$9.4 million to \$68.9 million in fiscal 2017 from \$59.5 million in fiscal 2016, primarily due to an increase in employee costs as a result of higher salaries on account of a higher headcount and wage inflation, higher legal and professional expenses (including costs related to our acquisitions) and higher other costs, and higher travel cost, partially offset by the depreciation of the Indian rupee and South African rand against the US dollar by an average of 2.6% and 2.3%, respectively, for fiscal 2017, as compared to the respective average exchange rates for fiscal 2016.



Selling and marketing expenses increased by \$1.4 million to \$30.5 million in fiscal 2017 from \$29.1 million in fiscal 2016, primarily due to an increase in employee costs as a result of an increase in sales headcount and higher travel cost, partially offset by lower marketing costs, and the depreciation of the pound sterling against the US dollar by an average of 13.4% in fiscal 2017, as compared to the average exchange rate for fiscal 2016 resulted in a lower cost.

The foreign exchange gains were primarily due to higher gains of \$2.8 million from our rupee and pound denominated hedge contracts as a result of a depreciation of the pound sterling against the US dollar, and a higher foreign currency revaluation gain of \$0.8 million arising from a \$3.9 million gain in fiscal 2017 from a gain of \$3.1 million in fiscal 2016.

Segment operating profit in the WNS Global BPM segment increased by 18.7% to \$117.2 million in fiscal 2016 from \$98.7 million in fiscal 2015. The increase was primarily attributable to higher segment revenue, higher foreign exchange gains, and lower selling and marketing expenses, partially offset by higher cost of revenue and higher general and administrative expenses.

Our cost of revenue includes employee costs, facilities costs, depreciation, legal and professional costs, travel costs and other related costs. Employee related costs represent the largest component of our cost of revenue for the WNS Global BPM segment. Our cost of revenue increased by \$22.2 million to \$314.5 million in fiscal 2016 from \$292.3 million in fiscal 2015, primarily on account of (i) an increase in employee costs by \$18.4 million on account of higher headcount, wage inflation and a \$2.5 million charge arising from the amendment to the India Payment of Bonus Act, 1965, which increased employee bonus amounts for certain wage categories retroactively from April 1, 2014, (ii) an increase in facilities costs by \$3.0 million due to an expansion of our existing facilities in the Gurgaon, India, South Africa and the Philippines and the addition of new facilities in South Africa and the Philippines, (iii) an increase in depreciation cost by \$1.0 million, and (iv) an increase in travel cost by \$0.9 million. Further, the depreciation of the Indian rupee and South African rand against the US dollar by an average of 7.1% and 24.3%, respectively, in fiscal 2016, as compared to the respective average exchange rates in fiscal 2015, resulted in a lower cost of revenue of approximately \$17.3 million.

Our other costs include selling and marketing expenses, general and administrative expenses and foreign exchange loss or gain. Our other costs decreased by \$4.5 million to \$77.6 million in fiscal 2016 from \$82.1 million in fiscal 2015, primarily on account of (i) an increase in foreign exchange gain by \$6.3 million, (ii) an increase in general and administrative expenses by \$2.0 million, and (iii) a decrease in selling and marketing expenses by \$0.2 million.

The foreign exchange gains were primarily due to higher gains of \$2.1 million from our rupee and pound denominated hedge contracts as a result of a depreciation of the pound sterling against the US dollar, and a higher foreign currency revaluation gain of \$4.3 million arising from a \$3.1 million gain in fiscal 2016 from a loss of \$1.3 million in fiscal 2015.

General and administrative expenses increased by \$2.0 million to \$59.5 million in fiscal 2016 from \$57.5 million in fiscal 2015, primarily due to an increase in employee costs as a result of higher salaries on account of a higher headcount and wage inflation, higher travel cost, higher legal and professional expenses, and the depreciation of the Indian rupee and South African rand against the US dollar by an average of 7.1% and 24.3%, respectively, for fiscal 2016, as compared to the respective average exchange rates for fiscal 2015, partially offset by lower facilities costs, and lower other costs.



Selling and marketing expenses decreased by \$0.2 million to \$29.1 million in fiscal 2016 from \$29.3 million in fiscal 2015, primarily due to a decrease in employee costs as a result of a decrease in sales headcount, lower legal and professional expenses and marketing costs, and the depreciation of the pound sterling against the US dollar by an average of 6.4% in fiscal 2016, as compared to the average exchange rate for fiscal 2015.

Segment Profit. Segment profit in the WNS Global BPM segment decreased by 1.3% to \$102.1 million in fiscal 2017 from \$103.5 million in fiscal 2016. The decrease in profit was primarily attributable to higher cost of revenue, higher general and administrative expenses, higher selling and marketing expenses, and higher finance expense, partially offset by higher segment revenue, higher foreign exchange gain and higher other income, net.

The other income, net increased by \$0.3 million in fiscal 2017 to \$7.8 million from \$7.5 million in fiscal 2016 primarily due to higher cash and cash equivalents and investments, partially offset by lower interest yield and earnings due to funds utilized for our share repurchases in fiscal 2017.

The finance expense for fiscal 2017 was \$0.5 million as compared to \$0.3 million in fiscal 2016 primarily due to interest on long term loans availed during the year for the acquisition of Denali and HealthHelp.

Provision for income taxes in fiscal 2017 was \$17.4 million as compared to \$20.9 million in fiscal 2016. Provision for income taxes was lower primarily on account of a one-time benefit of \$1.2 million resulting from a delivery location becoming profitable and reversal of a tax provision of \$1.5 million pertaining to previous fiscal years during fiscal 2017.

Segment profit in the WNS Global BPM segment increased by 18.5% to \$103.5 million in fiscal 2016 from \$87.3 million in fiscal 2015. The increase in profit was primarily attributable to higher segment revenue, higher foreign exchange gains, lower finance expense and lower selling and marketing expenses, partially offset by higher cost of revenue, higher general and administrative expenses, and lower other income, net.

The other income, net decreased by \$3.7 million in fiscal 2016 to \$7.5 million from \$11.1 million in fiscal 2015 primarily due to a lower yield on our cash and cash equivalents and investments, and funds were utilized for our share repurchases commencing in fiscal 2016.

The finance expense for fiscal 2016 was \$0.3 million as compared to \$1.3 million in fiscal 2015 due to lower interest cost as a result of lower borrowings following scheduled repayments of our short term and long term loans.

Provision for income taxes in fiscal 2016 was \$20.9 million as compared to \$21.2 million in fiscal 2015. Provision for income taxes was lower as the provision in fiscal 2015 includes a \$1.7 million provision on account of a change in Indian tax law pursuant to the India Finance Act 2014, as a result of which a number of debt FMPs that we had invested in were re-categorized as short term capital assets as they had been held for less than 36 months and, accordingly, were subject to tax



WNS Auto Claims BPM

Segment Revenue. Revenue in the WNS Auto Claims BPM segment decreased by \$8.7 million to \$44.6 million in fiscal 2017 from \$53.3 million in fiscal 2016. The decrease was primarily on account of a decrease in revenue from existing clients of \$10 million partially offset by an increase in revenue from new clients by \$1.3 million. The decrease was also on account of depreciation of the pound sterling against the US dollar by an average of 13.4% in fiscal 2017 as compared to the average exchange rate in fiscal 2016. Payments made to repair centers in fiscal 2017 decreased by \$7.1 million to \$24.1 million in fiscal 2017 from \$31.2 million in fiscal 2016.

Revenue less repair payments (non-GAAP) in this segment decreased by 7.2% to \$20.5 million in fiscal 2017 from \$22.1 million in fiscal 2016. The decrease was primarily on account of a decrease in revenue from existing clients of \$2.1 million partially offset by an increase in revenue from new clients by \$0.5 million. The decrease was also on account of depreciation of the pound sterling against the US dollar by an average of 13.4% in fiscal 2017 as compared to the average exchange rate in fiscal 2016.

Revenue in the WNS Auto Claims BPM segment decreased by \$7.7 million to \$53.3 million in fiscal 2016 from \$61.1 million in fiscal 2015. The decrease was primarily on account of a decrease in revenue from existing clients of \$7.7 million, and a depreciation of the pound sterling against the US dollar by an average of 6.4% in fiscal 2016 as compared to the average exchange rate in fiscal 2015. Payments made to repair centers in fiscal 2016 increased by \$0.3 million to \$31.2 million from \$30.9 million in fiscal 2015.

Revenue less repair payments (non-GAAP) in this segment decreased by 26.6% to \$22.1 million in fiscal 2016 from \$30.2 million in fiscal 2015 primarily due to lower volume of business of \$7.7 million from existing clients.

Segment Operating Profit. The segment reported an operating loss of \$21.6 million in fiscal 2017 as compared to a loss of \$1.2 million in fiscal 2016. This was primarily on account of the impairment of goodwill recorded in fiscal 2017, lower revenue less repair payments (non-GAAP), and higher foreign exchange losses, partially offset by lower cost of revenue (excluding payments to repair centers), and lower general and administrative expenses.

During the fourth quarter of fiscal 2017, proposed changes to the laws of the UK governing personal injury claims generated uncertainty regarding the future earnings trajectory of our legal services business in our WNS Auto Claims BPM segment, as a result of which we expect that we will eventually exit from providing legal services in relation to personal injury claims. We have also experienced a decrease in volume of and loss of such business from certain clients of our traditional repair services in our WNS Auto Claims BPM segment. As a result, we expect the future performance of our WNS Auto Claims BPM segment to decline significantly and we have therefore significantly reduced our financial projections and estimates of our WNS Auto Claims BPM segment. We performed an impairment review of the goodwill associated with the companies we had acquired for our auto claims business and recorded an impairment charge of \$21.7 million to our results of operations for fiscal 2017.

Our cost of revenue (excluding payments to repair centers) decreased by \$2.6 million to \$15.6 million in fiscal 2017 from \$18.2 million in fiscal 2016. The decrease in cost of revenue (excluding payments made to repair centers) was primarily on account of a decrease in our employee costs by \$1.7 million, and a decrease in facilities cost by \$0.8 million.

Our other costs include selling and marketing expenses, general and administrative expenses, and foreign exchange loss or gain. Our other costs decreased by \$0.3 million to \$4.9 million in fiscal 2017 from \$5.2 million in fiscal 2016, primarily on account of a decrease in general and administrative expenses by \$0.5 million to \$4.3 million in fiscal 2017 from \$4.8 million in fiscal 2016, partially offset by an increase in foreign exchange losses by \$0.1 million.

The segment reported an operating loss of \$1.2 million in fiscal 2016 as compared to a profit of \$5.4 million in fiscal 2015. This decrease was primarily on account of a decrease in revenue less repair payments (non-GAAP), and higher general and administrative expenses, partially offset by lower cost of revenue (excluding payments to repair centers) and lower selling and marketing expenses.

Our cost of revenue (excluding payments to repair centers) decreased by \$0.8 million to \$18.2 million in fiscal 2016 from \$18.9 million in fiscal 2015. The decrease in cost of revenue (excluding payments made to repair centers) was primarily on account of a decrease in our employee costs by \$1.4 million, an increase in other costs by \$0.7 million incurred to contract with claimants associated with our legal services business.

Our other costs include selling and marketing expenses, and general and administrative expenses. Our other costs decreased by \$0.6 million to \$5.2 million in fiscal 2016 from \$5.8 million in fiscal 2015, primarily on account of a decrease in selling and marketing expenses by \$0.7 million to \$0.4 million in fiscal 2016 from \$1.0 million in fiscal 2015, and an increase in general and administrative expenses by \$0.1 million to \$4.8 million in fiscal 2016 from \$4.6 million in fiscal 2015.



Segment Profit. The segment reported a loss of \$20.8 million in fiscal 2017 as compared to a loss of \$0.5 million in fiscal 2016. This was primarily attributable to the impairment of goodwill recorded in fiscal 2017 and lower other income, partially offset by higher operating profit and lower provision for income tax. The other income, net in fiscal 2017 was \$0.9 million as compared to \$1.0 million in fiscal 2016.

Provision for income taxes in fiscal 2017 was \$0.1 million as compared to \$0.3 million in fiscal 2016. The provision for income taxes in fiscal 2017 was lower primarily on account of lower taxable profits.



The segment reported a loss of \$0.5 million in fiscal 2016 as compared to a profit of \$5.0 million in fiscal 2015. This was primarily attributable to the operating loss, partially offset by an increase in other income, net and lower provision for income tax.

The other income, net in fiscal 2016 was an income of \$1.0 million as compared to an income of \$0.8 million in fiscal 2015.

Provision for income taxes in fiscal 2016 was \$0.3 million as compared to \$1.2 million in fiscal 2015. The provision for income taxes in fiscal 2016 was lower primarily on account of lower taxable profits.

Quarterly Results

The following table presents unaudited quarterly financial information for each of our last eight fiscal quarters on a historical basis. We believe the quarterly information contains all adjustments necessary to fairly present this information. As a business process management services provider, we anticipate and respond to demand from our clients. Accordingly, we have limited control over the timing and circumstances under which our services are provided. Typically, we show a decrease in our first quarter operating profit margins as a result of salary increases. For these and other reasons, we can experience variability in our operating results from quarter to quarter. The operating results for any quarter are not necessarily indicative of the results for any future period.

	Fiscal 2017				Fiscal 2016			
	Three months ended				Three months ended			
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
	(Unaudited, US dollars in millions)							
Revenue	\$ 159.4	\$ 145.4	\$ 149.8	\$ 148.0	\$ 142.6	\$ 144.4	\$ 141.0	\$ 134.1
Cost of revenue	107.4	97.5	99.7	98.7	92.2	93.8	90.5	88.8
Gross Profit	52.0	47.9	50.1	49.3	50.4	50.5	50.5	45.3
Operating expenses:								
Selling and marketing expenses	9.0	7.9	8.0	7.7	7.4	7.9	8.0	7.4
General and administrative expenses	27.3	21.5	22.1	20.9	20.8	19.7	20.4	18.0
Foreign exchange loss / (gains), net	(5.7)	(6.2)	(2.5)	(0.1)	(2.8)	(2.8)	(3.6)	(1.8)
Impairment of Goodwill	21.7	—	—	—	—	—	—	—
Amortization of intangible assets	2.9	4.1	7.2	6.3	6.2	6.3	6.5	6.2
Operating profit / (loss)	(3.3)	20.6	15.3	14.5	18.8	19.3	19.3	15.4
Other (income) expense, net	(2.0)	(2.2)	(2.1)	(2.3)	(2.6)	(1.9)	(1.8)	(2.2)
Finance expense	0.4	0.0	0.0	0.1	0.0	0.1	0.1	0.1
Provision for income taxes	3.3	4.8	4.7	4.6	5.5	5.4	5.5	4.7
Profit	(5.0)	18.0	12.6	12.2	15.9	15.7	15.5	12.8



The following table sets forth for the periods indicated selected consolidated financial data:

	Fiscal 2017				Fiscal 2016			
	Three months ended				Three months ended			
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
	(Unaudited)							
Gross profit as a percentage of revenue	32.6%	32.9%	33.4%	33.3%	35.3%	35.0%	35.8%	33.8%
Operating income as a percentage of revenue	(2.0)%	14.2%	10.2%	9.8%	13.2%	13.4%	13.7%	11.5%
Gross profit as a percentage of revenue less repair payments (non-GAAP)	33.7%	34.3%	34.8%	35.0%	37.2%	37.2%	37.9%	35.8%
Operating income as a percentage of revenue less repair payments (non-GAAP)	(2.1)%	14.7%	10.6%	10.3%	13.9%	14.2%	14.5%	12.2%

The following table reconciles our revenue (a GAAP measure) to revenue less repair payments (a non-GAAP measure):

	Fiscal 2017				Fiscal 2016			
	Three months ended				Three months ended			
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2014
	(Unaudited, US dollars in millions)							
Revenue	\$ 159.4	\$ 145.4	\$ 149.8	\$ 148.0	\$ 142.6	\$ 144.4	\$ 141.0	\$ 134.1
Less: Payments to repair centers	5.3	5.6	6.0	7.2	7.3	8.5	7.7	7.6
Revenue less repair payments (non-GAAP)	\$ 154.1	\$ 139.8	\$ 143.7	\$ 140.8	\$ 135.3	\$ 135.9	\$ 133.3	\$ 126.5



Contractual Obligations

Our principal commitments consist of expected principal cash payments relating to our obligations under debt and operating leases for office space, which represent minimum lease payments for office space, and purchase obligations for property and equipment. The following table sets out our total future contractual obligations as at March 31, 2017 on a consolidated basis:

	Payments Due By Period				More than 5 years
	Total	Less than 1 year	1-3 years	3-5 years	
	(US dollars in thousands)				
Long term debt	118,000	28,100	56,300	33,600	—
Estimated interest payments ⁽¹⁾	8,545	3,257	4,045	1,243	—
Trade payables	14,239	14,239	—	—	—
Operating leases	109,254	23,657	37,939	24,601	23,057
Purchase obligations	6,257	6,257	—	—	—
Total	<u>\$256,295</u>	<u>\$75,510</u>	<u>\$98,284</u>	<u>\$59,444</u>	<u>\$23,057</u>

Note:

(1) Interest payments on debt includes payout for interest rate swaps which convert our floating rate debt to fixed rate debt. There is no contractual obligation to renew this debt.

Our pension and other employee obligations (non-current) amounting to \$10.7 million as at March 31, 2017, included in the consolidated statement of financial position, have not been disclosed in the table above as the amounts and timing of payments cannot be reliably estimated or determined at present.

Uncertain income tax liabilities totaling \$12.4 million, have not been disclosed in the table above because we cannot make a reasonable estimate of the period of cash settlement with the relevant taxing authority.



Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements or obligations.

Tax Assessment Orders

Transfer pricing regulations to which we are subject require that any international transaction among the WNS group enterprises be on arm's-length terms. We believe that the international transactions among the WNS group enterprises are on arm's-length terms. If, however, the applicable tax authorities determine that the transactions among the WNS group enterprises do not meet arm's-length criteria, we may incur increased tax liability, including accrued interest and penalties. This would cause our tax expense to increase, possibly materially, thereby reducing our profitability and cash flows. We have signed an advance pricing agreement with the Government of India providing for the agreement on transfer pricing matters over certain transactions covered thereunder for a period of five years starting from April 2013. The applicable tax authorities may also disallow deductions or tax holiday benefits claimed by us and assess additional taxable income on us in connection with their review of our tax returns.

From time to time, we receive orders of assessment from the Indian tax authorities assessing additional taxable income on us and/or our subsidiaries in connection with their review of our tax returns. We currently have orders of assessment for fiscal 2004 through fiscal 2013 pending before various appellate authorities. These orders assess additional taxable income that could in the aggregate give rise to an estimated ₹2,394.3 million (\$36.9 million based on the exchange rate on March 31, 2017) in additional taxes, including interest of ₹891.3 million (\$13.7 million based on the exchange rate on March 31, 2017).



The following sets forth the details of these orders of assessment:

Entities	Tax year(s)	Amount demanded (including interest)		Interest on amount Demanded	
		(₹ and US dollars in millions)			
WNS Global	Fiscal 2004	₹ 12.5	\$ (0.2) ⁽¹⁾	₹ 3.1	\$ (0.1) ⁽¹⁾
WNS Global	Fiscal 2005	₹ 27.4	\$ (0.4) ⁽¹⁾	₹ 8.6	\$ (0.1) ⁽¹⁾
WNS Global	Fiscal 2006	₹ 527.1	\$ (8.1) ⁽¹⁾	₹ 194.9	\$ (2.9) ⁽¹⁾
Permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2006	₹ 67.9	\$ (1.0) ⁽¹⁾	₹ 24.1	\$ (0.4) ⁽¹⁾
WNS Global	Fiscal 2007	₹ 98.7	\$ (1.5) ⁽¹⁾	₹ 31.9	\$ (0.5) ⁽¹⁾
Permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2007	₹ 34.3	\$ (0.5) ⁽¹⁾	₹ 10.8	\$ (0.2) ⁽¹⁾
WNS Global	Fiscal 2008	₹ 819.7	\$ (12.7) ⁽¹⁾	₹ 344.3	\$ (5.3) ⁽¹⁾
WNS BCS	Fiscal 2009	₹ 7.1	\$ (0.1) ⁽¹⁾	₹ 2.3	\$ (0.1) ⁽¹⁾
WNS Global	Fiscal 2010	₹ 60.2	\$ (0.9) ⁽¹⁾	₹ 23.5	\$ (0.4) ⁽¹⁾
WNS BCS	Fiscal 2010	₹ 1.0	\$ (0.1) ⁽¹⁾	—	—
WNS BCS	Fiscal 2011	₹ 9.7	\$ (0.1) ⁽¹⁾	₹ 3.2	\$ (0.1) ⁽¹⁾
WNS Global	Fiscal 2012	₹ 305.7	\$ (4.7) ⁽¹⁾	₹ 107.4	\$ (1.6) ⁽¹⁾
WNS Global	Fiscal 2013	₹ 423.0	\$ (6.6) ⁽¹⁾	₹ 137.2	\$ (2.0) ⁽¹⁾
Total		₹2,394.3	\$ (36.9)⁽¹⁾	₹ 891.3	\$ (13.7)⁽¹⁾

Note:

(1) Based on the exchange rate as at March 31, 2017.

The aforementioned orders of assessment allege that the transfer prices we applied to certain of the international transactions between WNS Global or WNS BCS (each of which is one of our Indian subsidiaries), as the case may be, and our other wholly-owned subsidiaries named above were not on arm's-length terms, disallow a tax holiday benefit claimed by us, deny the set off of brought forward business losses and unabsorbed depreciation and disallow certain expenses claimed as tax deductible by WNS Global or WNS BCS, as the case may be. As at March 31, 2017, we have provided a tax reserve of ₹806.2 million (\$12.4 million based on the exchange rate on March 31, 2017) primarily on account of the Indian tax authorities' denying the set-off of brought forward business losses and unabsorbed depreciation. We have appealed against these orders of assessment before higher appellate authorities.



In addition, we currently have orders of assessment pertaining to similar issues that have been decided in our favor by first level appellate authorities, vacating tax demands of ₹2,890.6 million (\$44.6 million based on the exchange rate on March 31, 2017) in additional taxes, including interest of ₹891.1 million (\$13.7 million based on the exchange rate on March 31, 2017). The income tax authorities have filed appeals against these orders at higher appellate authorities.

In case of disputes, the Indian tax authorities may require us to deposit with them all or a portion of the disputed amounts pending resolution of the matters on appeal. Any amount paid by us as deposits will be refunded to us with interest if we succeed in our appeals. We have deposited some portion of the disputed amount with the tax authorities and may be required to deposit the remaining portion of the disputed amount with the tax authorities pending final resolution of the respective matters.

As at March 31, 2017, corporate tax returns for fiscal years 2014 (for certain legal entities) and thereafter remain subject to examination by tax authorities in India.

After consultation with our Indian tax advisors and based on the facts of these cases, legal opinions from counsel on certain matters, the nature of the tax authorities' disallowances and the orders from first level appellate authorities deciding similar issues in our favor in respect of assessment orders for earlier fiscal years, we believe these orders are unlikely to be sustained at the higher appellate authorities and we intend to vigorously dispute the orders of assessment.

In March 2009, we also received an assessment order from the Indian Service Tax Authority demanding payment of ₹348.1 million (\$5.4 million based on the exchange rate on March 31, 2017) of service tax and related penalty for the period from March 1, 2003 to January 31, 2005. The assessment order alleges that service tax is payable in India on BPM services provided by WNS Global to clients based abroad as the export proceeds are repatriated outside India by WNS Global. In response to an appeal filed by us with the appellate tribunal against the assessment order in April 2009, the appellate tribunal has remanded the matter back to the lower tax authorities to be adjudicated afresh. Based on consultations with our Indian tax advisors, we believe this order of assessment is more likely than not to be upheld in our favor. We intend to continue to vigorously dispute the assessment.

In 2016, we also received an assessment order from the Sri Lankan Tax Authority, demanding payment of LKR 25.2 million (\$0.2 million based on the exchange rate on March 31, 2017) in connection with the review of our tax return for fiscal year 2012. The assessment order challenges the tax exemption that we have claimed for export business. We have filed an appeal against the assessment order with the Sri Lankan Tax Appeal Commission in this regard. Based on consultations with our tax advisors, we believe this order of assessment is more likely than not to be upheld in our favor. We intend to continue to vigorously dispute the assessment.

No assurance can be given, however, that we will prevail in our tax disputes. If we do not prevail, payment of additional taxes, interest and penalties may adversely affect our results of operations, financial condition and cash flows. There can also be no assurance that we will not receive similar or additional orders of assessment in the future.

Liquidity and Capital Resources

Our capital requirements are principally for the establishment of operating facilities to support our growth and acquisitions, debt repayment and to fund the repurchase of ADSs under our share repurchase programs, as described in further detail below, see "— Share Repurchases." Our sources of liquidity include cash and cash equivalents and cash flow from operations, supplemented by equity and debt financing and bank credit lines as required.

As at March 31, 2017, we had cash and cash equivalents of \$69.8 million which were primarily held in US dollars, Indian rupees, pound sterling, South African rand and Sri Lankan rupees. We typically seek to invest our available cash on hand in bank deposits and money market instruments. Our investments include primarily bank deposits, marketable securities and mutual funds which totaled \$112.4 million as at March 31, 2017.

As at March 31, 2017, our total debt outstanding was \$118.0 million. We also had available lines of credit amounting to \$77.5 million, all of which were available as at March 31, 2017.

As at March 31, 2017, our Indian subsidiary, WNS Global, had an unsecured line of credit of ₹1,100.0 million (\$17.0 million based on the exchange rate on March 31, 2017) from The Hongkong and Shanghai Banking Corporation Limited, \$15.0 million from BNP Paribas, ₹1,200.0 million (\$18.5 million based on the exchange rate on March 31, 2017) from Citibank N.A. and ₹810.0 million (\$12.5 million based on the exchange rate on March 31, 2017) from Standard Chartered Bank for working capital purposes. Interest on these lines of credit would be determined on the date of the borrowing. These lines of credit generally can be withdrawn by the relevant lender at any time. As at March 31, 2017, there was no amount utilized from these lines of credit.



In February 2017, WNS UK renewed its working capital facility obtained from HSBC Bank plc. of £9.9 million (\$12.3 million based on the exchange rate on March 31, 2017) until February 28, 2018. The working capital facility bears interest at Bank of England base rate plus a margin of 2.45% per annum. Interest is payable on a quarterly basis. The facility is subject to conditions to drawdown and can be withdrawn by the lender at any time by notice to the borrower. As at March 31, 2017, there was no outstanding amount under this facility.

As at March 31, 2017, our South African subsidiary, WNS Global Services SA (Pty) Ltd., had an unsecured line of credit of ZAR 30.0 million (\$2.3 million based on the exchange rate on March 31, 2017) from The HSBC Bank plc. for working capital purposes. This facility bears interest at prime rate plus a margin of 2.25% per annum. This line of credit can be withdrawn by the lender at any time. As at March 31, 2017, there was no outstanding amount under this facility.

In January 2017, our United States subsidiary, WNS North America Inc., obtained a term loan facility for \$34.0 million from BNP Paribas, Hong Kong. The proceeds from this loan facility were used to finance our acquisition of Denali. The loan bears interest at a rate equivalent to the three-month US dollar LIBOR plus a margin of 1.27% per annum. WNS North America Inc.'s obligations under the term loan are guaranteed by WNS. The term loan is secured by a pledge of shares of Denali held by WNS North America Inc. and security over the assets of WNS North America Inc. The facility agreement for the term loan contains certain covenants, including restrictive covenants relating to our indebtedness and financial covenants relating to our debt service to EBITDA ratio and total borrowings to EBITDA ratio, each as defined in the facility agreement. The loan matures in January 2020 and the principal is repayable in six semi-annual instalments. The first five repayment instalments are \$5.65 million each and the sixth and final repayment instalment is \$5.75 million. The first scheduled repayment date is in July 2017.

In March 2017, our Mauritius subsidiary, WNS (Mauritius) Limited, obtained a term loan facility for \$84.0 million from HSBC Bank (Mauritius) Ltd. and Standard Chartered Bank, UK. The proceeds from this loan facility were used to finance our acquisition of HealthHelp. The loan bears interest at a rate equivalent to the three-month US dollar LIBOR plus a margin of 0.95% per annum. WNS (Mauritius) Limited's obligations under the term loan are guaranteed by WNS. The term loan is secured by a pledge of shares of WNS (Mauritius) Limited held by WNS. The facility agreement for the term loan contains certain covenants, including restrictive covenants relating to our indebtedness and financial covenants relating to our debt service to EBITDA ratio and total borrowings to EBITDA ratio, each as defined in the facility agreement. The loan matures in March 2022 and the principal is repayable in ten semi-annual instalments of \$8.4 million each. The first scheduled repayment date is in September 2017.

Based on our current level of operations, we expect that our anticipated cash generated from operating activities, cash and cash equivalents on hand, and use of existing credit facilities will be sufficient to fund our debt repayment obligations, estimated capital expenditures, share repurchase, contingent consideration for our acquisitions of Denali and HealthHelp and working capital needs for the next 12 months. However, if our lines of credit were to become unavailable for any reason, we would require additional financing to fund our debt repayment obligations, capital expenditures, share repurchase, contingent consideration for our acquisitions of Denali and HealthHelp and working capital needs. We currently expect our capital expenditures needs in fiscal 2018 to be between \$28.0 million to \$30 million. The geographical distribution, timing and volume of our capital expenditures in the future will depend on new client contracts we may enter into or the expansion of our business under our existing client contracts. Our capital expenditure for fiscal 2017 amounted to \$22.9 million and our capital commitments (net of capital advances) as at March 31, 2017 were \$6.3 million. Of the capital expenditure incurred, approximately \$8.5 million was incurred in India, approximately \$7.0 million was incurred in Philippines, approximately \$4.9 million was incurred in South Africa, approximately \$0.8 million was incurred in Europe (excluding the UK), and approximately \$1.7 million was incurred in the rest of the world. Of the capital commitments amount, we plan to spend approximately \$3.1 million in India, approximately \$1.0 million in South Africa, approximately \$1.0 million in Philippines, approximately \$0.9 million in Europe (excluding the UK), and approximately \$0.3 million in the rest of the world. Further, under the current challenging economic and business conditions as discussed under "— Global Economic Conditions" above, there can be no assurance that our business activity would be maintained at the expected level to generate the anticipated cash flows from operations. If the current market conditions deteriorate, we may experience a decrease in demand for our services, resulting in our cash flows from operations being lower than anticipated. If our cash flows from operations are lower than anticipated, including as a result of the ongoing downturn in the market conditions or otherwise, we may need to obtain additional financing to meet our debt repayment obligations and pursue certain of our expansion plans. Further, we may in the future make further acquisitions. If we have significant growth through acquisitions or require additional operating facilities beyond those currently planned to service new client contracts, we may also need to obtain additional financing. We believe in maintaining maximum flexibility when it comes to financing our business. We regularly evaluate our current and future financing needs. Depending on market conditions, we may access the capital markets to strengthen our capital position, and provide us with additional liquidity for general corporate purposes, which may include capital expenditures acquisitions, refinancing of our indebtedness and working capital. If current market conditions deteriorate, we may not be able to obtain additional financing or any such additional financing may be available to us on unfavorable terms. An inability to pursue additional opportunities will have a material adverse effect on our ability to maintain our desired level of revenue growth in future periods.



The following table shows our cash flows for fiscal 2017, 2016 and 2015:

	Year ended March 31,		
	2017	2016	2015
	(US dollars in millions)		
Net cash provided by operating activities	\$ 92.1	\$102.9	\$ 95.5
Net cash used in investing activities	\$ (131.3)	\$ (30.1)	\$ (40.2)
Net cash used in financing activities	\$ 61.6	\$ (55.2)	\$ (54.9)

Cash Flows from Operating Activities

Net cash provided by operating activities decreased to \$92.1 million for fiscal 2017 from \$102.9 million for fiscal 2016. The decrease in net cash provided by operating activities was attributable to a decrease in profit as adjusted for non-cash related items by \$17.6 million and an increase in taxes paid by \$7.0 million, which was partially offset by a decrease in outflow on account of working capital changes by \$12.9 million, an increase in interest received by \$0.8 million and a decrease in interest paid by \$0.1 million.

The net profit as adjusted for non-cash related items, primarily comprised the following: (i) profit of \$37.8 million for fiscal 2017 as compared to \$59.9 million for fiscal 2016; (ii) unrealized exchange gain of \$11.1 million for fiscal 2017 as compared to an unrealized exchange loss of \$4.0 million for fiscal 2016; (iii) deferred tax credit of \$8.2 million for fiscal 2017 as compared to a deferred tax expense of \$1.6 million for fiscal 2016; (iv) income tax expense of \$25.8 million for fiscal 2017 as compared to \$19.6 million for fiscal 2016; (v) share-based compensation expense of \$23.0 million for fiscal 2017 as compared to \$17.9 million for fiscal 2016; (vi) impairment of goodwill of \$21.7 million for fiscal 2017 as compared to \$Nil for fiscal 2016; and (vii) depreciation and amortization expense of \$37.4 million for fiscal 2017 as compared to \$40.6 million for fiscal 2016.

Cash inflow on account of working capital changes was \$1.2 million for fiscal 2017 as compared to a cash outflow of \$11.7 million for fiscal 2016. This was primarily on account of a decrease in cash outflow due to lower current assets by \$7.0 million, a decrease in cash outflow due to lower accounts receivables and unbilled revenue by \$4.1 million, an increase in cash inflow due to higher deferred revenue by \$3.4 million, partially offset by an increase in cash outflow towards accounts payable by \$1.9 million.

Net cash provided by operating activities increased to \$102.9 million for fiscal 2016 from \$95.5 million for fiscal 2015. The increase in net cash provided by operating activities for fiscal 2016 as compared to fiscal 2015 was attributable to an increase in profit as adjusted by non-cash related items by \$19.3 million, a decrease in interest paid by \$1.1 million and an increase in interest received by \$0.8 million, which was partially offset by an increase in cash outflow towards working capital by \$10.1 million and an increase in taxes paid by \$3.8 million.

The increase in profit as adjusted for non-cash related items by \$19.3 million was primarily on account of (i) an increase in share-based compensation expense by \$8.4 million, (ii) an increase in unrealized exchange losses by \$5.7 million, (iii) a decrease in mark to market gains on fixed maturity plans by \$4.5 million, (iv) an increase in current tax expense by \$2.7 million, (v) an increase in depreciation and amortization expense by \$2.1 million, (vi) a decrease in unrealized gains on derivative instruments by \$1.9 million, (vii) an increase in profit by \$1.3 million, and (viii) a decrease in gains from sale of property and equipment by \$0.5 million.

This increase was partially offset by (i) a decrease in deferred income tax by \$3.9 million, (ii) a decrease in allowance for doubtful accounts by \$1.5 million, (iii) a decrease in interest expense by \$1.0 million, (iv) an increase in interest income by \$0.8 million, and (v) an increase in dividend income by \$0.6 million

Cash outflow towards working capital increased by \$10.1 million for fiscal 2016 as compared to fiscal 2015, primarily as a result of a decrease in cash inflow from other assets by \$10.3 million, which mainly includes other advances, derivative assets and prepaid expenses, and a decrease in cash inflows from other liabilities by \$4.8 million, which was partially offset by a decrease in cash outflows for accounts payables and deferred revenue by \$2.9 million, and a decrease in cash outflows for accounts receivables and unbilled revenue by \$2.2 million.

*Cash Flows from Investing Activities*

Net cash used in investing activities increased to \$131.3 million for fiscal 2017 from \$30.1 million for fiscal 2016. This was primarily on account of a cash outflow of \$135.6 million towards our acquisitions made in fiscal 2017 as compared to \$2.6 million in fiscal 2016; a cash inflow of \$Nil for fiscal 2017 as compared to \$30.1 million for fiscal 2016 from sale of FMPs; a net investment in fixed deposits of \$9.7 million for fiscal 2017 as compared to \$6.0 million for fiscal 2016; partially offset by a net cash inflow of \$32.4 million from sale of marketable securities for fiscal 2017 as compared to a net cash outflow of \$29.6 million invested in purchase of marketable securities in fiscal 2016; and cash outflow of \$ 22.9 million for fiscal 2017 towards the purchase of property, plant and equipment (comprising mainly leasehold improvements, furniture and fixtures, office equipment and information technology equipment) and intangible assets (comprising computer software), as compared to \$27.5 million for fiscal 2016.

Net cash used in investing activities decreased to \$30.1 million for fiscal 2016 from \$40.2 million for fiscal 2015. Investing activities in fiscal 2016 and fiscal 2015 consisted of the following: (i) net amount invested in purchase of marketable securities in fiscal 2016 of \$29.6 million as compared to a net purchase of marketable securities of \$78.4 million in fiscal 2015, (ii) proceeds received from maturity of fixed deposits was \$8.8 million in fiscal 2016 as compared to an inflow of \$Nil in fiscal 2015 from maturity of fixed deposits, (iii) investment in fixed deposits of \$14.8 million in fiscal 2016 as compared to \$9.6 million investments in fixed deposits in fiscal 2015, (iv) amount received from sale of FMPs was \$30.1 million in fiscal 2016 as compared to an inflow of \$ 66.1 million from sale of FMPs, (v) capital expenditure of \$27.5 million incurred for leasehold improvements, including the purchase of computers, furniture, fixtures and other office equipment and software (classified as intangibles) associated with expanding the capacity of our delivery centers, for fiscal 2016, as compared to capital expenditure of \$23.0 million in fiscal 2015, (vi) an amount of \$2.6 million paid towards our Telkom business combination in fiscal 2016 as compared to \$0.3 million paid towards acquisitions of certain assets and the related workforce from iSoftStone in fiscal 2015, and (vii) dividend received in fiscal 2016 increased to \$5.0 million from \$4.4 million in fiscal 2015.

Cash Flows from Financing Activities

Net cash provided by financing activities increased to \$61.6 million for fiscal 2017 as compared to net cash used in financing activities of \$55.2 million for fiscal 2016. This was primarily on account of an increase in cash inflow from long term debt of \$ 118.0 million for fiscal 2017 as compared to a cash outflow of \$13.2 million towards repayment of long term debt and \$13.1 million towards net repayment of short term borrowings for fiscal 2016; an increase in cash inflow from the exercise of options by grantees under our share plans of \$8.9 million for fiscal 2017 as compared to \$ 1.3 million for fiscal 2016, which was partially offset by an increase in cash outflow towards share repurchase of \$64.2 million for fiscal 2017 as compared to \$30.5 million for fiscal 2016.

Net cash used in financing activities was \$55.2 million in fiscal 2016, as compared to \$54.9 million in fiscal 2015. Financing activities primarily consisted of (i) \$30.5 million for share repurchase in fiscal 2016 as compared to \$Nil in fiscal 2015, (ii) repayments of short term debt by WNS Global Services India Private Limited of \$12.0 million and by WNS UK of \$1.1 million in fiscal 2016 as compared to repayments of short term debt by WNS Global Services India Private Limited of \$39.2 million and by WNS UK of \$4.3 million in fiscal 2015, (iii) repayment of long term debt by WNS Global Services India Private Limited of \$7.0 million and by WNS UK of \$6.2 million in fiscal 2016 as compared to repayment of long term debt by WNS UK of \$12.0 million and by WNS Global Services India Private Limited of \$ Nil in fiscal 2015, and (iv) proceeds from exercise of employee stock options of \$1.3 million in fiscal 2016 as compared to \$0.5 million in fiscal 2015.

Share Repurchases

In March 2016, our shareholders authorized a share repurchase program for the repurchase of up to 3.3 million of our ADSs, each representing one share, at a price range of \$10 to \$50 per ADS. Pursuant to the terms of the repurchase program, our ADSs may be purchased in the open market from time to time for 36 months from March 16, 2016, the date the shareholders resolution approving the repurchase program was passed. In fiscal 2017 we repurchased 2.2 million ADSs under the repurchase program. We intend to fund the repurchase of the remaining 1.1 million ADSs under the repurchase program with cash on hand. We are not obligated under the repurchase program to repurchase a specific number of ADSs, and the repurchase program may be suspended at any time at our discretion. We intend to hold the shares underlying any such repurchased ADSs as treasury shares.

In March 2015, our shareholders authorized a share repurchase program for the repurchase of up to 1.1 million of our ADSs at a price range of \$10 to \$30 per ADS, in the open market from time to time for 12 months from April 1, 2015. In fiscal 2016, we purchased 1.1 million ADSs in the open market at the average price per ADS of \$27.65 for a total consideration of \$30.5 million (including transaction costs). The shares underlying these purchased ADSs have been accounted for as treasury stock, at cost. These share repurchases were funded with cash on hand.



New Accounting Pronouncements Not Yet Adopted by our Company

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for our accounting periods beginning on or after April 1, 2017 or later periods. Those which are considered to be relevant to our operations are set out below.

- i. In May 2014, the IASB issued IFRS 15 “Revenue from Contracts with Customers” (“IFRS 15”). This standard provides a single, principle-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point at which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various other related matters. IFRS 15 also introduced new disclosure requirements with respect to revenue.

The five steps in the model under IFRS 15 are: (i) identify the contract with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contracts; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 replaces the following standards and interpretations:

- IAS 11 “Construction Contracts”
- IAS 18 “Revenue”
- IFRIC 13 “Customer Loyalty Programmes”
- IFRIC 15 “Agreements for the Construction of Real Estate”
- IFRIC 18 “Transfers of Assets from Customers”
- SIC-31 “Revenue - Barter Transactions Involving Advertising Services”

When first applying IFRS 15, it should be applied in full for the current period, including retrospective application to all contracts that were not yet complete at the beginning of that period. In respect of prior periods, the transition guidance allows an option to either:

- apply IFRS 15 in full to prior periods (with certain limited practical expedients being available); or
- retain prior period figures as reported under the previous standards, recognizing the cumulative effect of applying IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application (beginning of current reporting period).



In April 2016, the IASB issued amendments to IFRS 15, clarifying some requirements and providing additional transitional relief for companies. The amendments do not change the underlying principles of IFRS 15 but clarify how those principles should be applied. The amendments clarify how to:

- identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and
- determine whether the revenue from granting a license should be recognized at a point in time or over time.

In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies IFRS 15. The amendments have the same effective date as IFRS 15.

IFRS 15 is effective for fiscal years beginning on or after January 1, 2018. Earlier application is permitted. We expect to apply this standard retrospectively with the cumulative effect of initially applying this standard recognized at April 1, 2018 (i.e. the date of initial application in accordance with this standard). Further, we are currently evaluating the impact that this new standard will have on our consolidated financial statements.

- ii. In July 2014, the IASB finalized and issued IFRS 9 – “Financial Instruments” (“IFRS 9”). IFRS 9 replaces IAS 39 “Financial instruments: recognition and measurement” (“IAS 39”), the previous Standard which dealt with the recognition and measurement of financial instruments in its entirety upon former’s effective date.

Key requirements of IFRS 9:

Replaces IAS 39’s measurement categories with the following three categories:

- fair value through profit or loss (“FVTPL”)
- fair value through other comprehensive income (“FVTOCI”)
- amortized cost

Eliminates the requirement for separation of embedded derivatives from hybrid financial assets, the classification requirements to be applied to the hybrid financial asset in its entirety.

Requires an entity to present the amount of change in fair value due to change in entity’s own credit risk in other comprehensive income.

Introduces new impairment model, under which the “expected” credit loss are required to be recognized as compared to the existing “incurred” credit loss model of IAS 39.

Fundamental changes in hedge accounting by introduction of new general hedge accounting model which:

- Increases the eligibility of hedged item and hedging instruments;
- Introduces a more principles-based approach to assess hedge effectiveness.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

Earlier application is permitted provided that all the requirements in the Standard are applied at the same time with two exceptions:

- (1) The requirement to present changes in the fair value of a liability due to changes in own credit risk may be applied early in isolation;
- (2) Entity may choose as its accounting policy choice to continue to apply hedge accounting requirements of IAS 39 instead of new general hedge accounting model as provided in IFRS 9.

We are currently evaluating the impact of this new standard on our consolidated financial statements.



iii. In January 2016, the IASB has issued IFRS 16 “Leases” (“IFRS 16”). Key changes in IFRS 16 include:

- eliminates the requirement to classify a lease as either operating or finance lease in the books of lessee.
- introduces a single lessee accounting model, which requires lessee to recognize assets and liabilities for all leases, initially measured at the present value of unavoidable future lease payment. Entity may elect not to apply this accounting requirement to short term leases and leases for which underlying asset is of low value.
- replaces the straight-line operating lease expense model with a depreciation charge for the lease asset (included within operating costs) and an interest expense on the lease liability (included within finance costs).
- requires lessee to classify cash payments for principal and interest portion of lease arrangement within financing activities and financing/operating activities respectively in the cash flow statements.
- requires entities to determine whether a contract conveys the right to control the use of an identified asset for a period of time to assess whether that contract is, or contains, a lease.

IFRS 16 replaces IAS 17, “Leases and related interpretations” viz. IFRIC 4, “Determining whether an Arrangement contains a Lease”; SIC-15, “Operating Leases—Incentives”; and SIC-27, “Evaluating the Substance of Transactions Involving the Legal Form of a Lease.”

IFRS 16 substantially carries forward lessor accounting requirements in IAS 17, “Leases.” Disclosures, however, have been enhanced.

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. Early application is permitted for entities that apply IFRS 15, “Revenue from Contracts with Customers” at or before the date of initial application of IFRS 16.

A lessee shall apply IFRS 16 either retrospectively to each prior reporting period presented or record a cumulative effect of initial application of IFRS 16 as an adjustment to opening balance of equity at the date of initial application.

We are currently evaluating the impact of this new standard on our consolidated financial statements.

iv. In January 2016, the IASB issued amendments to IAS 12 – “Income taxes” to clarify the following:

- the carrying value of an asset does not limit the estimation of probable future taxable profits.
- estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- an entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted.

We expect the adoption of these amendments will have no impact on our consolidated financial statements.

v. In January 2016, the IASB issued amendments in IAS 7 – “Statement of Cash Flows” to clarify and improve information provided to users of financial statements about an entity’s financing activities.

The IASB requires that the following changes in liabilities arising from financing activities to be disclosed (to the extent necessary):

- changes from financing cash flows;
- changes arising from obtaining and losing control of subsidiaries or other businesses;
- the effect of changes of foreign exchange rates;
- changes in fair value; and
- other changes.

The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted. Entities need not present comparative information when they first apply the amendments.



We are currently evaluating the effect of this amendment on our consolidated financial statements.

vi. In June 2016, the IASB issued amendments in IFRS 2 – “Share-based Payment” to clarify the following:

- the accounting for cash-settled share-based payment transactions that include a performance condition should follow the same approach as for equity-settled share-based payment;
- the classification of share-based payment transactions with net settlement features for withholding tax obligations should be classified as equity-settled in its entirety, provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature; and
- modifications of a share-based payment that changes the transaction from cash-settled to equity-settled to be accounted for as follows:
 - i. the original liability is derecognized;
 - ii. the equity-settled share-based payment is recognized at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
 - iii. any difference between the carrying amount of the liability at the modification date and the amount recognized in equity should be recognized in the statement of income immediately.

The above amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The amendments are to be applied prospectively. However, if an entity applies the amendments retrospectively, it must do so for all of the amendments described above.

We are currently evaluating the impact of these amendments on our consolidated financial statements.

vii. In December 2016, the IFRS Interpretations Committee (“IFRIC”) issued amendments to IFRIC 22 – “Foreign Currency Transactions and Advance Consideration” to clarify the exchange rate to use for translation when payments are made or received in advance of the related asset, expense or income (or part of it) in foreign currency.

The exchange rate in this case will be the rate prevalent on the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

IFRIC 22 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted.

On initial application, entities have the choice to apply the Interpretation either retrospectively or, alternatively, prospectively to all assets, expenses and income in the scope of the Interpretation initially recognized on or after:

- the beginning of the reporting period in which the entity first applies the Interpretation; or
- the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Interpretation.

We are currently evaluating the impact of these amendments on our consolidated financial statements.

viii. In June 2017, the IFRIC issued IFRIC 23 – “Uncertainty over Income Tax Treatments” to clarify the accounting for uncertainties in income taxes, by specifically addressing the following:

- the determination of whether to consider each uncertain tax treatment separately or together with one or more uncertain tax treatments;
- the assumptions an entity makes about the examination of tax treatments by tax authorities;
- the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates where there is an uncertainty regarding the treatment of an item; and
- the reassessment of judgements and estimates if facts and circumstances change.

IFRIC 23 is effective for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted.

On initial application, the requirements are to be applied by recognizing the cumulative effect of initially applying them in retained earnings, or in other appropriate components of equity, at the start of the reporting period in which an entity first applies them, without adjusting comparative information. Full retrospective application is permitted, if an entity can do so without using hindsight.



We are currently evaluating the impact of this pronouncement on our consolidated financial statements.



ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Executive Officers

Our Board of Directors consists of eight directors.

The following table sets forth the name, age (as at March 31, 2017) and position of each of our directors and executive officers as at the date hereof.

<u>Name</u>	<u>Age</u>	<u>Designation</u>
Directors		
Adrian T. Dillon ⁽¹⁾⁽²⁾	63	Non-Executive Chairman
Albert Aboody ⁽³⁾	69	Director
Gareth Williams ⁽²⁾⁽⁴⁾	64	Director
John Freeland ⁽⁵⁾	63	Director
Keshav R. Muruges	53	Director and Group Chief Executive Officer
Michael Menezes ⁽⁵⁾	64	Director
Renu S. Karnad ⁽¹⁾⁽⁶⁾	64	Director
Francoise Gri ⁽⁵⁾	59	Director
Executive Officers		
Keshav R. Muruges	53	Group Chief Executive Officer
Sanjay Puria	43	Group Chief Financial Officer
Ronald Gillette	60	Chief Operating Officer
Swaminathan Rajamani	40	Chief People Officer

Notes:

- (1) Member of our Compensation Committee.
- (2) Member of our Nominating and Corporate Governance Committee.
- (3) Chairman of our Audit Committee.
- (4) Chairman of our Compensation Committee.
- (5) Member of our Audit Committee.
- (6) Chairman of our Nominating and Corporate Governance Committee.

Summarized below is relevant biographical information covering at least the past five years for each of our directors and executive officers.



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Directors

Adrian T. Dillon was appointed to our Board of Directors in September 2012 and was designated as Non-Executive Vice Chairman of the Board in January 2013. In January 2014 he was appointed as the Non-Executive Chairman of the Board. He is currently a member of the Board of Directors and a member of the Audit Committee of HealthEquity, Inc and also a member of the Board of Directors and Chairman of the Audit and Finance Committees of Williams-Sonoma, Inc. During his career, he has served as a member of the Board of Wonga Group Limited, from 2013 to 2015, NDS Group Limited, from 2011 to 2012, Verigy Pty, from 2006 to 2007 and LumiLeds Inc., from 2002 to 2007. He has also held key finance roles including Chief Financial and Administrative Officer at Skype Limited, from 2010 to 2011, Executive Vice President - Finance & Administration and Chief Financial Officer at Agilent Technologies, Inc., from 2001 to 2010 and held various positions at Eaton Corporation, from 1979 to 2001, including Executive Vice President and Chief Financial and Planning Officer from 1995-2001. He was a member and past Chairman of The Conference Board Council of Financial Executives. Mr. Dillon graduated from Amherst College with a Bachelor of Arts degree in economics. The business address of Mr. Dillon is 5872 Cottage Ridge Road, Santa Rosa, CA 95403, USA.

Albert Aboody was appointed to our Board of Directors in June 2010 and also serves as the chairman of our Audit Committee. Mr. Aboody is based in the US. Prior to his appointment as our director, he was a partner with KPMG, US. In this role, he served on the Board of KPMG, India, including as Deputy Chairman and as head of its audit department. He also co-authored chapters on the Commission's reporting requirements in the 2001-2008 annual editions of the Corporate Controller's Manual. Mr. Aboody is a member of the American Institute of Certified Public Accountants. He was a post-graduate research scholar at Cambridge University and received a Bachelor of Arts degree from Princeton University. The business address of Mr. Aboody is 424 E 57th St. # 3D, New York, NY 10022.

Gareth Williams was appointed to our Board of Directors in January 2014. Currently Mr. Williams serves as the Chairman of YSC and as an independent director of SAGA plc. He served as a member of the Board of YSC from 2013 to 2016. He also served as the advisor to the CEO of Diageo plc till June 2014. Prior to his appointment to our Board, he was Director, Human Resources at Diageo plc, one of the world's leading premium drink companies. Prior to taking over as Head of Human Resources at Diageo in January 1999, Mr. Williams held a series of key positions in HR at Grand Metropolitan, plc in North America and the UK from 1984 to 1998, leading up to the merger with Guinness that formed Diageo. Before joining Grand Metropolitan, he spent 10 years with Ford of Britain in a number of HR roles. Mr. Williams graduated with a Bachelor of Arts degree in Economics from the Warwick University. The business address of Mr. Williams is High Tees, Wildernesse Avenue, Sevenoaks, Kent TN15 0EA, UK.

John Freeland was appointed to our Board of Directors in September 2014. Mr. Freeland is the Chairman and Co-founder of Surface Architectural Supply Inc. He is also the founder of JF Fitness of North America. He was on the Board of Compuware Corporation during the year 2014. He brings over 35 years of experience to WNS. Most recently he was the CEO of Symphony Information Resources, Inc. from October 2007 to May 2012, a leading global provider of information, insights and decision solutions. In his previous roles, he was President - Worldwide Operations for salesforce.com and a Managing Partner at Accenture in the areas of global Insurance and global Customer Relationship Management. During his 26-year career at Accenture, he was also appointed a member of Accenture's executive committee. Mr. Freeland has a Bachelor of Arts degree in Economics and a Master of Business Administration from Columbia University. The business address of Mr. Freeland is 435 East 52nd Street, Apartment 8B, NY, NY 10022.



Keshav R. Murugesh was appointed as our Group Chief Executive Officer and director in February 2010. Mr. Murugesh is based out of Mumbai. Prior to joining WNS, Mr. Murugesh was the Chief Executive Officer of Syntel Inc., a Nasdaq-listed information technology company, and its subsidiaries. He holds a Bachelor of Commerce degree and is a Fellow of The Institute of Chartered Accountants of India. Prior to Syntel, he worked in various capacities with ITC Limited, an affiliate of BAT Plc. between 1989 and 2002. Most recently, he was appointed as the Honorary Chairman of The Confederation of Indian Industry - Western India's Education Committee. He is the former chairman of the BPM Council of NASSCOM and an elected member of the NASSCOM Executive Council. NASSCOM is the industry association for the IT-BPM sector in India. He is on the Board of WNS Cares Foundation, a company that focuses on sustainability initiatives. He was the Chairman of SIFE (Students in Free Enterprise) India, which is a global organization involved in educational outreach projects in partnership with businesses across the globe, from 2005 to 2011. The business address of Mr. Murugesh is Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli West, Mumbai 400 079, India.

Michael Menezes was appointed to our Board of Directors in January 2014. Mr. Menezes presently serves as the advisor to Fairfax India and also as an Executive-in-Residence to the MBA students at Ryerson University in Toronto on a voluntary basis. He is the President of Acumentor Inc. a sole proprietary business engaged in providing consulting and other services. Most recently, he was the special advisor to the Continental Bank of Canada. He was also CFO, Technology, Operations and Corporate Group at Bank of Montreal from 2000 to 2012. Mr. Menezes has over two decades of global exposure, both as CEO and CFO in the Financial Services, Consumer Goods and Agri-business sectors. In his previous stints, he has been the CFO for ONIC (Holding), CEO of ITC Agro Tech Ltd., India, apart from holding various senior finance roles at ITC Ltd. in India. Mr. Menezes received a Bachelor of Arts Degree in Economics from University of Delhi, India, a Master's degree in Economics from London School of Economics, UK and qualified as a Member of the Institute of Chartered Accountants of India. The business address of Mr. Menezes is 220 Cummer Avenue, Toronto, Canada M2M 2E7.

Renu S Karnad was appointed to our Board of Directors in September 2012. Mrs. Karnad had joined Housing Development Finance Corporation Limited (HDFC Limited) in 1978 and is currently serving as the Managing Director of HDFC Limited. She is also a director on several other Boards, including BOSCH Limited, Gruh Finance Limited, HDFC Bank Limited, HDFC Asset Management Company Limited, HDFC Ergo General Insurance Company Limited, HDFC Standard Life Insurance Company Limited, Indraprastha Medical Corporation Limited, Feedback Infrastructure Services Private Limited, EIH Limited, HIREF International LLC, ABB India Limited, H T Parekh Foundation, HIREF International Fund II Pte. Limited, HIREF International Fund Pte Limited and HDFC Plc (Maldives). Mrs. Karnad holds a Master's degree in Economics from the University of Delhi and is a graduate in law from the University of Mumbai. She has also been a Parvin Fellow at Princeton University's Woodrow Wilson School of International Affairs. The business address of Mrs. Karnad is HDFC Limited, Capital Court, 1st Floor, Munirka, Off Palme Marg, New Delhi 110067, India.

Françoise Gri was appointed to our Board of Directors in May 2015. Ms. Gri brings over 30 years of international business experience to WNS, most recently as CEO of Pierre & Vacances-Center Parcs Group, a European leader in local tourism. In her previous roles, she was Executive Vice President - France, and then for all of Southern Europe, at Manpower, Inc., a workforce solutions company which she joined in 2007. During her 26-year career at IBM, she served in the role of President and Country GM for IBM France. She is a member of the Board of Directors at Credit Agricole and Edenred. Ms. Gri has a Master of Science degree in Computer Engineering from Ecole Nationale Supérieure d'Informatique et Mathématiques Appliquées ENSIMAG) in Grenoble, France. The business address of Ms. Gri is 25, Rue des Vaussourds, 92500 Rueil Malmaison, France.

Executive Officers

Keshav R. Murugesh is our Group Chief Executive Officer. Please see “— Directors” above for Mr. Murugesh's biographical information.

Sanjay Puria serves as our Group Chief Financial Officer. He is based out of Mumbai, India and leads WNS's global finance function. Presently, he serves on the Board of WNS Cares Foundation. Mr. Puria has over 18 years of experience, out of which over 14 years have been in the offshore services industry. He is a veteran at WNS, having managed several key finance functions including corporate strategy, mergers and acquisitions, financial planning and analysis, and strategic business development before taking over as the Group CFO. Prior to WNS, he was at the helm of operations for a global provider of integrated information technology and knowledge process outsourcing solutions, where his role centered around managing acquisitions, joint ventures, complex and multi-year contracts, strategizing on geographical expansion, revenue and cost management, pricing & commercials and implementation of LEAN initiatives. Mr. Puria is a Chartered Accountant from the Institute of Chartered Accountants of India and has passed the Certified Public Accountant examination from the American Institute of Certified Public Accountants. The business address of Mr. Puria is Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli, (West) Mumbai 400 079, India.



Ronald Gillette is our Chief Operating Officer and is responsible for WNS’s global sales, operations and capability creation. Based in Mumbai, he drives WNS’s strategic plans and operating results. Prior to joining WNS, Mr. Gillette worked with Xerox in the US and Europe. Previously, he was the Group President, Xerox Business Services in Europe with responsibility for all Financial Services and Insurance clients and had led Xerox’s global FAO business. Before joining Xerox Services, Gillette was a senior partner at Accenture, responsible for growing its BPM business. He has also worked with Deloitte Consulting, Ernst & Young and EDS in various leadership roles with a focus on building outsourcing businesses. He has a Bachelor of Science degree from the United States Military Academy, at West Point. He holds a Master of Business Administration degree from Marymount University in Arlington, Virginia. The business address of Mr. Gillette is Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli, (West) Mumbai 400 079, India.

Swaminathan Rajamani is our Chief People Officer. Presently, he serves on the Board of WNS Cares Foundation. He leads WNS’s Human Resources function, and is responsible for the entire gamut of people-oriented processes. Prior to joining WNS, he was with CA Technologies, where he served as Vice President — Human Resources and was the Country Head — HR for India. He has also served as Head of HR Operations at Syntel and thereafter, for a short while, was its Global HR Head. Prior to Syntel, he had a long tenure at GE spanning multiple roles such as Master Black Belt — HR and Assistant Vice President and Head — Operations for HR, Customer Research and Operational Analytics, apart from other roles in mergers and acquisitions. He is a certified Change Acceleration Coach and a keen practitioner of Six Sigma. He has a Masters in Social Work degree from the University of Madras. The business address of Mr. Rajamani is Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli, (West) Mumbai 400 079, India.

B. Compensation

Compensation Discussion and Analysis

Compensation Objectives

Our compensation philosophy is to align employee compensation with our business objectives, so that compensation is used as a strategic tool that helps us recruit, motivate and retain highly talented individuals who are committed to our core values: clients first, integrity, respect, collaboration, learning and excellence. We believe that our compensation programs are integral to achieving our goal of “One WNS One Goal—Outperform!”

Our Compensation Committee is responsible for reviewing the overall goals and objectives of our executive compensation programs, as well as our compensation plans, and making changes to such goals, objectives and plans. Our Compensation Committee bases our executive compensation programs on the following objectives, which guide us in establishing and maintaining all of our compensation programs:

- ***Pay Differentiation: Based on the Job Responsibility, Individual Performance and Company Performance.*** As employees progress to higher levels in our company, their ability to directly impact our results and strategic initiatives increases. Therefore, as employees progress, an increasing proportion of their pay is linked to company performance and tied to creation of shareholder value.
- ***Pay for Performance.*** Our compensation is designed to pay for performance and thus we provide higher compensation for strong performance and, conversely, lower compensation for poor performance and/or where company performance falls short of expectations. Our compensation programs are designed to ensure that successful, high-performing employees remain motivated and committed during periods of temporary downturns in our performance.
- ***Balanced in Focus on Long Term versus Short Term Goals.*** As part of our compensation philosophy, we believe that equity-based compensation should be higher for employees with greater levels of responsibility and influence on our long term results. Therefore, a significant portion of these individuals’ total compensation is dependent on our long term share price appreciation. In addition, our compensation philosophy seeks to incentivize our executives to focus on achieving short term performance goals in a manner that supports and encourages long term success and profitability.
- ***Competitive Value of the Job in the Marketplace.*** In order to attract and retain a highly skilled work force in a global market space, we remain competitive with the pay of other employers who compete with us for talent in relevant markets.



- **Easy to understand.** We believe that all aspects of executive compensation should be clearly, comprehensibly and promptly disclosed to employees in order to effectively motivate them. Employees need to easily understand how their efforts can affect their pay, both directly through individual performance accomplishments and indirectly through contributions to achieving our strategic, financial and operational goals. We also believe that compensation for our employees should be administered uniformly across our company with clear-cut objectives and performance metrics to eliminate the potential for individual supervisor bias.

Our Compensation Committee also considers risk when developing our compensation programs and believes that the design of our compensation programs should not encourage excessive or inappropriate risk taking.

Components of Executive Compensation

The compensation of our executive officers consists of the following five primary components:

- Base salary or, in the case of executive officers based in India, fixed compensation;
- Cash bonus or variable incentive;
- Equity incentive grants of RSUs;
- Other benefits and perquisites; and
- Severance benefits.

The following is a discussion of our considerations in determining each of the compensation components for our executive officers.

Base Salary or Fixed Compensation

Base salary is a fixed element of our executives’ annual cash compensation, which is not tied to any performance criteria. We consider base salary an important part of an executive’s compensation and our Compensation Committee reviews each executive officer’s base salary annually as well as at the time of a promotion or other change in responsibility. Any base salary adjustments are usually approved early in the fiscal year, effective as at April 1, or as set out in the relevant employment agreement. The specific amount of base salary for each executive officer depends on the executive’s role, scope of responsibilities, experience and skills. Market practices are also considered in setting base salaries. Base salaries are intended to assist us in attracting executives and recognizing differing levels of responsibility and contribution among executives.

Cash Bonus or Variable Incentive

In addition to base salary, annual cash bonuses are another important piece of total compensation for our executive officers. Annual bonus opportunities are intended to support the achievement of our business strategies by tying a meaningful portion of compensation to the achievement of established objectives for the year. These objectives are discussed in more detail below. Annual bonus opportunities also are a key tool in attracting highly sought-after executives, and cash bonuses add a variable component to our overall compensation structure.



Equity Incentive Grants of RSUs

Our equity-based incentive program, through which we grant RSUs, is a key element of the total compensation for our executive officers. This equity-based incentive program is intended to attract and retain highly qualified individuals, align their long term interests with those of our shareholders, avoid short term focus and effectively execute our long term business strategies. Our equity-based compensation is subject to multi-year vesting requirements by which executives' gains can either be realized through (i) the achievement of set performance criteria and continued employment through the vesting period, or, simply, (ii) continued employment through the vesting period.

We believe that our executive officers should also own and hold our equity to further align their interests with the long-term interests of our shareholders and further promote our commitment to sound corporate governance practices. To achieve this, we have adopted share ownership guidelines, pursuant to which each executive officer is required to achieve their respective target share ownership level over a period of five years. For further details see "Part I – Item 6E Share Ownership – Share Ownership Guidelines."

Other Benefits and Perquisites

We provide benefits and perquisites to our executive officers that are generally available to and consistent with those provided to our other employees in the country in which the executive officer is located. We believe these benefits are consistent with the objectives of our compensation philosophy and allow our executive officers to work more efficiently. Such benefits and perquisites are intended to enhance the competitiveness of our overall compensation program. Such benefits normally include medical, accidental and life insurance coverage, retirement benefits, club membership, reimbursement of telephone expenses, a car and related maintenance expenses, leased residential accommodation and other miscellaneous benefits which are customary in the location where the executive officer resides and are generally available to other employees in the country. All executive officers are covered by the directors' and officers' liability insurance policy maintained by us.

Severance Benefits

Under the terms of our employment agreements, we are sometimes obligated to pay severance or other enhanced benefits to our executive officers upon termination of their employment.

Our executive officers globally have enhanced levels of benefits based on their job level, seniority and probable loss of employment after a change in control. Executive officers generally are paid severance for a longer period as compared to other employees.

- *Accelerated vesting of equity awards.* All granted but unvested share options and RSUs would vest immediately and become exercisable (in the case of share options) by our executive officers subject to certain conditions set out in the applicable equity incentive plans or their individual employment agreements.
- *Severance and notice payment.* Eligible terminated executive officers would receive severance and notice payments as reflected in their individual employment agreements.
- *Benefit continuation.* Eligible terminated executive officers would receive basic employee benefits such as medical and life insurance and other perquisites as reflected in their individual employment agreements.

In addition, we provide change in control severance protection to certain executive officers. Our Compensation Committee believes that such protection is intended to preserve employee morale and productivity and encourage retention in the face of the disruptive impact of an actual or rumored change in control. In addition, for executive officers, the program is intended to align executive officers' and shareholders' interests by enabling executive officers to consider corporate transactions that are in the best interests of our shareholders and other constituents without undue concern over whether the transactions may jeopardize the executive officers' own interest or employment.



Our Assessment Process

Our Compensation Committee has established a number of processes to assist it in ensuring that our executive compensation programs are achieving their objectives. Our Compensation Committee typically reviews each component of compensation at least every 12 months with the goal of allocating compensation between long term and currently paid compensation and between cash and non-cash compensation, and combining the compensation elements for each executive in a manner we believe best fulfills the objectives of our compensation programs.

Our Compensation Committee is responsible for reviewing the performance of each of our executive officers, approving the compensation level of each of our executive officers, establishing criteria for the grant of equity awards for each of our executive officers and approving such equity grants. Each of these tasks is generally performed annually by our Compensation Committee.

There are no predetermined individual or corporate performance factors or goals that are used by our Compensation Committee to establish the amounts or mix of any elements of compensation for the executive officers. Our Compensation Committee works closely with our Group Chief Executive Officer, discussing with him our company's overall performance and his evaluation of and compensation recommendations for our executive officers. From time to time, our Compensation Committee also seeks the advice and recommendations of an external compensation consultant to benchmark certain components of our compensation practices against those of its peers. The companies selected for such benchmarking include companies in similar industries and generally of similar sizes and market capitalizations. Where compensation information is not available for any specific position an executive officer holds for companies that provide business and technology services, our Compensation Committee reviews data corresponding to the most comparable position and also considers the comparative experience of executives.

Our Compensation Committee then utilizes its judgment and experience in making all compensation determinations. Our Compensation Committee's determination of compensation levels is based upon what the members of the committee deem appropriate, considering information such as the factors listed above, as well as input from our Group Chief Executive Officer and, from time to time, information and advice provided by an independent compensation consultant.

Other processes that our Compensation Committee has established to assist in ensuring that our compensation programs operate in line with their objectives are:

- *Assessment of Company Performance:* Our Compensation Committee uses financial performance measures to determine a significant portion of the size of payouts under our cash bonus program. The financial performance measures, adopted on improving both top line (which refers to our revenue less repair payments (non-GAAP) as described in "Part I — Item 5. Operating and Financial Review and Prospects — Overview") and bottom line (which refers to our adjusted net income ("ANI") (non-GAAP), which is calculated as our profit excluding impairment of goodwill, share-based compensation expense and amortization of intangible assets) and other measures, such as operating margin are pre-established by our Compensation Committee annually at the beginning of the fiscal year. When the pre-determined financial measures are achieved, executive officers receive amounts that are set for these targets. These measures reflect targets that are intended to be aggressive but attainable. The remainder of an individual's payout under our cash bonus program is determined by the achievement of individual performance objectives.



- *Assessment of Individual Performance:* Individual performance has a strong impact on the compensation of all employees, including our executive officers. The evaluation of an individual's performance determines a portion of the size of payouts under our cash bonus program and also influences any changes in base salary. At the beginning of each fiscal year, our Compensation Committee, along with our Group Chief Executive Officer, set the respective performance objectives for the fiscal year for the executive officers. The performance objectives are initially proposed by our Group Chief Executive Officer and modified, as appropriate, by our Compensation Committee based on the performance assessment conducted for the preceding fiscal year and also looking at goals for the current fiscal year. Every evaluation metric is supplemented with key performance indicators. At the end of the fiscal year, our Group Chief Executive Officer discusses individuals' respective achievement of the pre-established objectives as well as their contribution to our company's overall performance and other leadership accomplishments. This evaluation is shared with our Compensation Committee. After the discussion, our Compensation Committee, in discussion with our Group Chief Executive Officer, assigns a corresponding numerical performance rating that translates into specific payouts under our cash bonus program and also influences any changes in base salary.

The Compensation Committee approves awards under our cash bonus or variable incentive program consistent with the achievement of applicable goals. The Committee on occasion makes exceptions to payments in strict accordance with achievement of goals based on unusual or extraordinary circumstances. Executive officers must be on the payroll of our company on the last day of the fiscal year, March 31, to be eligible for payment under our cash bonus or variable incentive program.

Although most of our compensation decisions are taken in the first quarter of the fiscal year, our compensation planning process neither begins nor ends with any particular Compensation Committee meeting. Compensation decisions are designed to promote our fundamental business objectives and strategy. Our Compensation Committee periodically reviews related matters such as succession planning, evaluation of management performance and consideration of the business environment and considers such matters in making compensation decisions.

Benchmarking and Use of Compensation Consultant for Fiscal 2017

During fiscal 2017, our Compensation Committee reviewed compensation programs for our executive officers against publicly available compensation data, which was compiled directly by our external compensation consultant. The companies selected by our external compensation consultant for its survey for benchmarking our executive officers' compensation included companies in similar industries and generally of similar sizes and market capitalizations.

The list of peer companies against which we benchmarked the compensation of our executive officers in fiscal 2017 included the following:

- Genpact Limited;
- EXL Service Holdings Inc.;
- HCL Technologies;
- Cognizant;
- Infosys (BPO);
- Convergys;
- Syntel;
- Wipro Technologies (BPO); and
- Tata Consultancy Services (BPO).



Our Compensation Committee used the data derived by our external compensation consultant primarily to ensure that our executive compensation programs are competitive. A selected subset of peer companies from those listed above that were found most closely comparable as benchmark for a particular position were considered to arrive at the compensation benchmark review of individual executive officers. Where compensation information was not publicly disclosed for a specific management position in the relevant industry, our Compensation Committee reviewed data corresponding to the most comparable position and also considered the comparative experience of the relevant executive officers.

There is enough flexibility in the existing compensation programs to respond and adjust to the evolving business environment. Accordingly, an individual’s compensation elements could be changed by our Compensation Committee based on changes in job responsibilities of the executive. In addition to input from our external compensation consultant’s survey, our Compensation Committee also took into consideration our performance and industry indicators in deciding our compensation for fiscal 2017.

Based on the elements listed above and in line with our compensation philosophy, in fiscal 2017 our Compensation Committee adjusted our executive officers compensation as described in “—Executive Compensation for Fiscal 2017” below.

Executive Compensation for Fiscal 2017

Total Compensation of Executive Officers

The following table sets forth the total compensation paid or proposed to be paid to each of our Chief Executive Officer, Chief Financial Officer and other named executive officers for services rendered in fiscal 2017 (excluding grants of RSUs which are described below).

<u>Name</u>	<u>Base Salary⁽¹⁾</u>	<u>Benefits</u>	<u>Bonus</u>	<u>Total</u>
Keshav R. Muruges	\$ 618,761	\$ 59,989	\$1,470,040	\$2,148,790
Sanjay Puria	\$ 238,136	\$ 12,837	\$ 375,050	\$ 626,023
Ronald Gillette	\$ 388,518	\$ 20,922	\$ 500,885	\$ 910,325
Swaminathan Rajamani	\$ 194,023	\$ 10,606	\$ 177,713	\$ 382,342
Total	\$ 1,439,438	\$104,354	\$2,523,688	\$4,067,480

Note:

(1) Base salary does not include amount contributed towards provident fund which is set out in the table under “—Other Benefits and Perquisites.”

Base Salary or Fixed Compensation

In reviewing base salaries for executive officers, our Compensation Committee reviewed compensation programs for our executive officers against publicly available compensation data compiled by our external compensation consultant and considered local market conditions, market data, the executive officer’s experience and responsibilities, the perceived risk of having to replace the named executive officer and the fact that the executive officers for fiscal 2017 had satisfactorily performed against their prior year’s individual performance objectives.



Our Compensation Committee has made the following changes to the base salary:

- Mr. Keshav R. Murugesh's base salary (including employer contribution towards Provident Fund (Retirement Benefit)) was revised to \$733,901 from \$658,207 in fiscal 2017. The salary revision was effective February 19, 2017.
- Mr. Sanjay Puria's base salary (including employer contribution towards Provident Fund (Retirement Benefit)) was revised to \$250,143 from \$223,342 in fiscal 2017. The salary revision was effective April 1, 2016.
- Mr. Ronald Gillette's base salary (including employer contribution towards Provident Fund (Retirement Benefit)) was revised to \$408,107 from \$386,832 in fiscal 2017. The salary revision was effective April 1, 2016.
- Mr. Swaminathan Rajamani's base salary (including employer contribution towards Provident Fund (Retirement Benefit)) was revised to \$203,806 from \$183,609 in fiscal 2017. The salary revision was effective April 1, 2016.

Cash Bonus or Variable Incentive

Our Compensation Committee believes that the executive officers must work as a team and focus primarily on company goals rather than solely on individual goals. Our Compensation Committee believes that enhancing the long term value of our company requires increased revenue (both from existing and new clients), improved contribution and increased ANI (non-GAAP). Finally our Compensation Committee believes it must also reward and encourage individual performance and therefore assigned certain weightages of the variable incentive to company and individual objectives, including achievement of targets for our revenue less repair payments (non-GAAP), ANI (non-GAAP), operating margin and certain individual goals for various executive officers. Such bonuses are typically paid in April and/or May each year. The aggregate amount of all cash bonuses to be paid for fiscal 2017 does not exceed the aggregate cash bonus pool approved by our Compensation Committee for fiscal year 2017. Each of our executive officers' variable incentive packages for fiscal 2017 are as described below:

Our Compensation Committee set Mr. Murugesh's target variable incentive, or cash bonus, for 2017 at \$ 917,376 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Murugesh's performance objectives the achievement of targets for our revenue less repair payments (non-GAAP) and ANI (non-GAAP), and individual performance objectives. Mr. Murugesh earned 176.4% of his variable incentive amount on an overall basis.

Our Compensation Committee set Mr. Puria's target variable incentive for 2017 at \$ 212,621 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Puria's performance objectives the achievement of targets for our revenue less repair payments (non-GAAP) and ANI (non-GAAP), and individual performance objectives. Based on actual performance against these various objectives, Mr. Puria earned 176.4% of his variable incentive amount on an overall basis.

Our Compensation Committee set Mr. Gillette's target variable incentive for 2017 at \$ 408,107 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Gillette's performance objectives the achievement of targets for revenue less repair payments (non-GAAP), ANI (non-GAAP) and operating margins for our various vertical business units, and individual performance objectives. Based on actual performance against these various objectives, Mr. Gillette earned 122.7% of his variable incentive amount on an overall basis.

Our Compensation Committee set Mr. Swaminathan's target variable incentive for 2017 at \$ 101,903 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Swaminathan's performance objectives the achievement of targets for our revenue less repair payments (non-GAAP) and ANI (non-GAAP), and individual performance objectives. Based on actual performance against these various objectives, Mr. Swaminathan earned 174.4% of his variable incentive amount on an overall basis.

*Equity Incentive Grants of RSUs*

During fiscal 2017, we continued the equity incentive scheme which has a vesting schedule linked to continued employment with our company through vesting date, achievement of financial performance targets and achievement of a certain level of share price appreciation.

Consistent with our philosophy on equity grants to our executive officers, we awarded the following number of RSUs to our executive officers during fiscal 2017:

Name	Date of grant	Total RSUs granted for fiscal 2017	Grant date fair value (\$) ⁽¹⁾
Keshav R. Murugesh	27-Apr-16	195,840 ⁽²⁾	31.21 ⁽²⁾
	27-Apr-16	54,400 ⁽³⁾⁽⁴⁾	12.56 ⁽³⁾⁽⁴⁾
Sanjay Puria	27-Apr-16	22,200 ⁽⁵⁾	31.21 ⁽⁵⁾
	27-Apr-16	5,000 ⁽³⁾⁽⁶⁾	12.56 ⁽³⁾⁽⁶⁾
Ronald Gillette	27-Apr-16	27,360 ⁽⁵⁾	31.21 ⁽⁵⁾
	27-Apr-16	5,000 ⁽³⁾⁽⁶⁾	12.56 ⁽³⁾⁽⁶⁾
Swaminathan Rajamani	27-Apr-16	15,120 ⁽⁵⁾	31.21 ⁽⁵⁾
	27-Apr-16	5,000 ⁽³⁾⁽⁶⁾	12.56 ⁽³⁾⁽⁶⁾

Notes:

- (1) The amounts shown under this column reflect the dollar amount of the grant date fair value of equity-based RSUs granted during the year.
- (2) These RSUs vest according to the following schedule: 8,160 RSUs vest quarterly on the completion of each of the first eight quarters following the grant date; 5,440 RSUs vest quarterly on the completion of each of the four quarters following the first eight quarters following the grant date; and 108,800 RSUs vest on the third anniversary of the grant date, subject to Mr. Murugesh's continued employment with our company through the vesting date and the achievement of certain conditions relating to financial performance. The fair value of these RSUs is generally the market price of our shares on the date of grant.
- (3) Following the referendum in the United Kingdom in June 2016 in which voters decided to withdraw from the EU, financial markets experienced increased volatility and we experienced a decline in the price of our ADSs. Consequently, our Compensation Committee decided to extend the timeframe (including the condition of being in the employment) in which RSUs with vesting linked to ADS price performance granted to the executive officer could meet specified ADS price targets.
- (4) Pursuant to amendment agreements dated March 15, 2017 between our company and Mr. Murugesh, the following amendments to the vesting schedule were made to previously granted RSUs, the vesting of which were originally scheduled on the third anniversary of the grant date subject to the achievement of a specified target ADS price over a period of time prior to a date determined by reference to the vesting date and Mr. Murugesh's continued employment with our company through the vesting date:
 - With respect to 70,551 RSUs granted in April 2014, the vesting date (and accordingly the date by which the specified target ADS price condition must be met) has been extended to the fifth anniversary of the grant date (that is, April 2019). These RSUs granted in April 2014 are not included in the table above which sets out RSUs granted during fiscal 2017.
 - With respect to 59,039 RSUs granted in April 2015, the vesting date (and accordingly the date by which the specified target ADS price condition must be met) has been extended to the fourth anniversary of the grant date (that is, April 2019). These RSUs granted in April 2015 are not included in the table above which sets out RSUs granted during fiscal 2017.
 - With respect to 54,400 RSUs granted in April 2016, the vesting date (and accordingly the date by which the target ADS price condition must be met) has been extended to the fourth anniversary of the grant date (that is, April 2020). These RSUs, as amended, are included in the table above.

As a result of these amendments, the fair values of these RSUs, which have been determined using Monte-Carlo simulation, have been revised as follows and the additional cost of \$1.2 million is amortized over the period from the modification date until the vesting date of the modified RSU, which differs from the vesting date of the original RSU.

Date of Grant	Original grant date fair value (\$)	Revised grant date fair value (\$)
April 2014	2.82	13.37
April 2015	6.37	11.65
April 2016	12.56	14.30



(b) These RSUs include a base grant and a supplemental grant of 20% of the base grant. The RSUs in the base grant vest according to the following schedule: 5% of the RSUs awarded vest quarterly on the completion of each of the first twelve quarters following the grant date and 40% of the RSUs awarded vest on the third anniversary of the grant date, subject to awardee's continued employment with our company through the vesting date and the achievement of conditions of financial performance. The awardee will be eligible for the additional vesting of up to 20% of the base grant pursuant to the supplemental grant, with the RSUs awarded pursuant to such supplemental grant vesting on the third anniversary of the grant date, subject to awardee's continued employment with our company through the vesting date and the achievement of conditions of financial performance as determined by our Compensation Committee. The fair value of these RSUs is generally the market price of our shares on the date of grant.



(6) Pursuant to an amendment agreement dated March 15, 2017 between our company and the executive officer, amendments to the vesting schedule were made to the 5,000 RSUs granted to the executive officer in April 2016, the vesting of which were originally scheduled on the third anniversary of the grant date subject to the achievement of a specified target ADS price over a period of time prior to a date determined by reference to the vesting date and the executive officer’s continued employment with our company through the vesting date. The vesting date (and accordingly the date by which the target ADS price condition must be met) has been extended to the fourth anniversary of the grant date (that is, April 2020) (and, for the RSUs of Mr. Ronald Gillette, such extension is conditional upon the target ADS price not being met by the original reference date). As a result of these amendments, the fair values of these RSUs, which have been determined using Monte-Carlo simulation, have been revised from \$12.56 to \$14.30 and the additional cost is amortized over the period from the modification date until the vesting date of the modified RSU, which differs from the vesting date of the original RSU.

Other Benefits and Perquisites

The retirement plans, health and welfare benefits provided to executive officers are the same plans and benefits available to all other employees of our company.

All directors and officers, including executive officers, are covered by the directors’ and officers’ liability insurance policy maintained by our company.

Additional perquisites provided to executive officers in fiscal 2017 are summarized below:

<u>Name</u>	<u>Provident fund</u>	<u>Insurance benefits</u>	<u>Club membership</u>	<u>Total</u>
Keshav R. Muruges	\$ 48,007	\$ 1,956	\$ 10,026	\$ 59,989
Sanjay Puria	\$ 12,007	\$ 830	\$ —	\$ 12,837
Ronald Gillette	\$ 19,589	\$ 1,333	\$ —	\$ 20,922
Swaminathan Rajamani	\$ 9,783	\$ 823	\$ —	\$ 10,606
Total	\$89,386	\$ 4,942	\$ 10,026	\$104,354

**Non-executive Director Compensation for Fiscal 2017***Total Compensation of Non-executive Directors*

The following table sets forth the compensation paid or proposed to be paid to our non-executive directors for services rendered in fiscal 2017 (excluding grants of RSUs which are described below):

Name	Retainership fees	Retainership fees for	
		Board/Committee Chairman	Total
Adrian Dillon	\$ —	\$ 160,000 ⁽¹⁾	\$160,000
Albert Aboody	\$ 63,000	\$ 30,000 ⁽²⁾	\$ 93,000
Gareth Williams	\$ 63,000	\$ 20,000 ⁽³⁾	\$ 83,000
John Freeland	\$ 63,000	\$ —	\$ 63,000
Michael Menezes	\$ 63,000	\$ —	\$ 63,000
Renu S. Karnad	\$ 63,000	\$ 5,109 ⁽⁴⁾	\$ 68,109
Francoise Gri	\$ 63,000	\$ —	\$ 63,000
Sir Anthony Greener ⁽⁵⁾	\$ 30,815	\$ 4,891 ⁽⁴⁾	\$ 35,706
	<u>\$ 408,815</u>	<u>\$ 220,000</u>	<u>\$628,815</u>

Notes:

- (1) Fee paid to Mr. Adrian T. Dillon for serving as chairman of our Board of Directors in fiscal 2017.
- (2) Fee paid to Mr. Albert Aboody for serving as chairman of our Audit Committee in fiscal 2017.
- (3) Fee paid to Mr. Gareth Williams for serving as chairman of our Compensation Committee in fiscal 2017.
- (4) Fee paid to Sir Anthony Greener and Renu S. Karnad for serving as chairman of our Nominating and Corporate Governance Committee from April 1, 2016 to September 26, 2016 and from September 27, 2016 to March 31, 2017, respectively, in fiscal 2017.
- (5) Sir Anthony Greener retired as a director of our Company with effect from September 27, 2016.

Equity Incentive Grants of RSUs to Non-executive Directors

The following table sets forth information concerning RSUs awarded to our non-executive directors in fiscal 2017 with a vesting period of one year. No options were granted in fiscal 2017.

Name	Date of grant	Total RSUs granted for fiscal 2017	Grant date fair value (\$) ⁽¹⁾	Expiration date
Adrian T. Dillon	13-Jul-16	8,702	\$ 27.58	12-Jul-26
Albert Aboody	13-Jul-16	3,426	\$ 27.58	12-Jul-26
Gareth Williams	13-Jul-16	3,426	\$ 27.58	12-Jul-26
John Freeland	13-Jul-16	3,426	\$ 27.58	12-Jul-26
Michael Menezes	13-Jul-16	3,426	\$ 27.58	12-Jul-26
Renu S. Karnad	13-Jul-16	3,426	\$ 27.58	12-Jul-26
Françoise Gri	13-Jul-16	3,426	\$ 27.58	12-Jul-26
Sir Anthony Greener ⁽²⁾	13-Jul-16	3,426	\$ 27.58	12-Jul-26

Notes:

- (1) The amounts shown under this column reflect the dollar amount of the aggregate grant date fair value of equity-based RSUs granted during the year. The fair value of RSUs is generally the market price of our shares on the date of grant.
- (2) Sir Anthony Greener retired as a director of our company with effect from September 27, 2016.



Future grants of awards will continue to be determined by our Board of Directors or our Compensation Committee under the 2016 Incentive Award Plan.

Employment Agreement of our Executive Director

We entered into an employment agreement with Mr. Keshav R. Murugesh in February 2010, which was amended with effect from February 19, 2013, to serve as our Group Chief Executive Officer for a five-year term, which will renew automatically for three additional successive terms of three years each, unless either we or Mr. Murugesh elects not to renew the term. Our employment agreement with Mr. Murugesh was further amended effective February 19, 2014 and February 19, 2017 to revise Mr. Murugesh's compensation (including share grants).

Under the terms of the amended agreement, Mr. Murugesh is entitled to receive compensation, health and other benefits and perquisites commensurate with his position. Pursuant to the agreement, Mr. Murugesh will be eligible to receive annually such number of RSUs to be computed based on our average share price (taking the daily US dollar closing price) during March of the fiscal year preceding the date of such determination and the value of such grant shall not be less than eight times the sum of his annual base salary. Mr. Murugesh is entitled to receive additional performance-based grants for meeting additional performance-based criteria, the value of such grant being up to 50% of eight times the sum of his annual base salary. Any grants of RSUs to Mr. Murugesh will be made pursuant to and in accordance with our 2016 Incentive Award Plan.

If Mr. Murugesh's employment is terminated by us without cause or by Mr. Murugesh for good reason (each as defined in the amended agreement) or is terminated for any reason other than those specified in the amended agreement (including without limitation, expiration of his employment period or we elect not to extend his employment), he would be entitled to all accrued and unpaid salary, accrued and unused vacation and any unreimbursed expenses. Mr. Murugesh would also be entitled to vested benefits and other amounts due to him under our employee benefit plans. Further, where Mr. Murugesh's employment is terminated for any reason other than those specified in the amended agreement (including without limitation, expiration of his employment period or we elect not to extend his employment), he will also be entitled to his base salary for a period of 12 months from the effective date of termination and his target bonus for the year in which the termination occurs, both of which will be paid immediately, and all of the share options and RSUs granted to him will vest and the share options and RSUs would become exercisable on a fully accelerated basis.

Further, where Mr. Murugesh's employment is terminated for reasons of death, disability or retirement as specified in the amended agreement, he would be entitled to all accrued and unpaid salary and bonus, accrued and unused vacation, any unreimbursed expenses and vested benefits and other amounts due to him under our employee benefit plans, and all of the share options and RSUs granted to him will vest and the share options and RSUs would become exercisable on a fully accelerated basis.

In addition to the above, if Mr. Murugesh's employment is terminated by us without cause or by Mr. Murugesh for good reason, and Mr. Murugesh executes and delivers a non-revocable general release of claims in favor of our company, subject to his continued compliance with certain non-competition and confidentiality obligations, Mr. Murugesh would be entitled to receive the following severance payments and benefits from us:

1. His base salary for a period of 12 months from the effective date of termination, which will be paid immediately;
2. His target bonus for the year in which the termination occurs, which will be paid immediately; and
3. Automatic accelerated vesting of RSUs or share options granted him that would have vested with him through the next two vesting dates of each grant from the effective date of termination. Full accelerated vesting will occur in case of termination of employment for good reason.

If we experience a change in control (as defined in our Third Amended and Restated 2006 Incentive Award Plan for awards granted under that plan or as defined in our 2016 Incentive Award Plan for awards granted under that plan) while Mr. Murugesh is employed under the employment agreement, all of the share options and RSUs granted to Mr. Murugesh under the employment agreement will vest and the share options and RSUs would become exercisable on a fully accelerated basis.



Employee Benefit Plans

Third Amended and Restated 2006 Incentive Award Plan

We adopted our 2006 Incentive Award Plan on June 1, 2006. The purpose of the 2006 Incentive Award Plan was to promote the success and enhance the value of our company by linking the personal interests of the directors, employees and consultants of our company and our subsidiaries to those of our shareholders and by providing these individuals with an incentive for outstanding performance. The 2006 Incentive Award Plan was further intended to provide us with the ability to motivate, attract and retain the services of these individuals. On February 13, 2009, we adopted the Amended and Restated 2006 Incentive Award Plan. The Amended and Restated 2006 Incentive Award Plan reflects, among other changes to our 2006 Incentive Award Plan, an increase in the number of ordinary shares and ADSs available for grant under the plan from 3.0 million to 4.0 million shares/ADSs, subject to specified adjustments under the plan. On September 13, 2011, we adopted the Second Amended and Restated 2006 Incentive Award Plan that reflects an increase in the number of ordinary shares and ADSs available for granted under the plan to 6.2 million shares/ADSs, subject to specified adjustments under the plan. On September 25, 2013, we adopted the Third Amended and Restated 2006 Incentive Award Plan that reflects an increase in the number of ordinary shares and ADSs available for grant under the plan to 8.6 million shares/ADSs, subject to specified adjustments under the plan. On May 31, 2016, our Third Amended and Restated 2006 Incentive Award Plan expired pursuant to its terms.

Shares Available for Awards

Subject to certain adjustments set forth in the Third Amended and Restated 2006 Incentive Award Plan, the maximum number of shares that could be issued or awarded under the Third Amended and Restated 2006 Incentive Award Plan was equal to the sum of (x) 8,600,000 shares, (y) any shares that remained available for issuance under our 2002 Stock Incentive Plan (which was adopted on July 3, 2002 and terminated upon the effective date of our 2006 Incentive Award Plan), and (z) any shares subject to awards under the 2002 Stock Incentive Plan which terminated, expired or lapsed for any reason or were settled in cash on or after the effective date of our 2006 Incentive Award Plan. As of the date of termination of the 2002 Stock Incentive Plan on July 25, 2006, the day immediately preceding the date of pricing of our initial public offering, an aggregate of 6,082,042 of our ordinary shares had been authorized for grant under the 2002 Stock Incentive Plan. The maximum number of shares which could be subject to awards granted to any one participant during any calendar year was 500,000 shares and the maximum amount that could be paid to a participant in cash during any calendar year with respect to cash-based awards was \$10,000,000. To the extent that an award terminated or was settled in cash, any shares subject to the award would again be available for the grant. Any shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligation with respect to any award would not be available for subsequent grant. Except as described below with respect to independent directors, no determination was made as to the types or amounts of awards that would be granted to specific individuals pursuant to the Third Amended and Restated 2006 Incentive Award Plan.

Administration. The Third Amended and Restated 2006 Incentive Award Plan is administered by our Board of Directors, which may delegate its authority to a committee. We anticipate that our Compensation Committee will administer the Third Amended and Restated 2006 Incentive Award Plan, except that our Board of Directors will administer the plan with respect to awards granted to our independent directors. The plan administrator determined eligibility, the types and sizes of awards, the price and timing of awards and the acceleration or waiver of any vesting restriction, provided that the plan administrator would not have the authority to accelerate vesting or waive the forfeiture of any performance-based awards.

Eligibility. Our employees, consultants and directors and those of our subsidiaries were eligible to be granted awards, except that only employees of our company and our qualifying corporate subsidiaries were eligible to be granted options that are intended to qualify as “incentive share options” under Section 422 of the United States Internal Revenue Code of 1986, as amended (the “Code”).

Awards

Options: The plan administrator was able to grant options on shares. The per share option exercise price of all options granted pursuant to the Third Amended and Restated 2006 Incentive Award Plan would not be less than 100% of the fair market value of a share on the date of grant. No incentive share option could be granted to a grantee who owned more than 10% of our outstanding shares unless the exercise price was at least 110% of the fair market value of a share on the date of grant. To the extent that the aggregate fair market value of the shares subject to an incentive share option became exercisable for the first time by any option holder during any calendar year exceeded \$100,000, such excess would be treated as a non-qualified option. The plan administrator would determine the methods of payment of the exercise price of an option, which could include cash, shares or other property acceptable to the plan administrator (and could involve a cashless exercise of the option). The plan administrator designated in the award agreement evidencing each share option grant whether such share option would be exercisable for shares or ADSs. The award agreement could, in the sole discretion of the plan administrator, permit the option holder to elect, at the time of exercise, whether to receive shares or ADSs in respect of the exercised share option or a portion thereof. The term of options granted under the Third Amended and Restated 2006 Incentive Award Plan could not exceed ten years from the date of grant. However, the term of an incentive share option granted to a person who owns



more than 10% of our outstanding shares on the date of grant could not exceed five years. Under the Third Amended and Restated 2006 Incentive Award Plan, the number of awards to be granted to our independent directors was determined by our Board of Directors or our Compensation Committee.



Restricted Shares. The plan administrator could grant shares subject to various restrictions, including restrictions on transferability, limitations on the right to vote and/or limitations on the right to receive dividends.

Share Appreciation Rights. The plan administrator could grant share appreciation rights representing the right to receive payment of an amount equal to the excess of the fair market value of a share on the date of exercise over the fair market value of a share on the date of grant. The term of share appreciation rights granted could not exceed ten years from the date of grant. The plan administrator could elect to pay share appreciation rights in cash, in shares or in a combination of cash and shares.

Performance Shares and Performance Share Units. The plan administrator could grant awards of performance shares denominated in a number of shares and/or awards of performance share units denominated in unit equivalents of shares and/or units of value, including dollar value of shares. These awards could be linked to performance criteria measured over performance periods as determined by the plan administrator.

Share Payments. The plan administrator could grant share payments, including payments in the form of shares or options or other rights to purchase shares. Share payments could be based upon specific performance criteria determined by the plan administrator on the date such share payments were made or on any date thereafter.

Deferred Shares. The plan administrator could grant awards of deferred shares linked to performance criteria determined by the plan administrator. Shares underlying deferred share awards would not be issued until the deferred share awards have vested, pursuant to a vesting schedule or upon the satisfaction of any vesting conditions or performance criteria set by the plan administrator. Recipients of deferred share awards generally have no rights as shareholders with respect to such deferred shares until the shares underlying the deferred share awards have been issued.

Restricted Share Units. The plan administrator could grant RSUs, subject to various vesting conditions. On the maturity date, we will transfer to the participant one unrestricted, fully transferable share for each vested RSU scheduled to be paid out on such date. The plan administrator specified the purchase price, if any, to be paid by the participant for such shares. Generally, a participant will have to be employed by us on the date of payment of vested RSUs to be eligible to receive the payment of shares issuable upon vesting of the RSUs.

Performance Bonus Awards. The plan administrator could grant a cash bonus payable upon the attainment of performance goals based on performance criteria and measured over a performance period determined appropriate by the plan administrator. Any such cash bonus paid to a “covered employee” within the meaning of Section 162(m) of the Code could be a performance-based award as described below.

Performance-Based Awards. The plan administrator could grant awards other than options and share appreciation rights to employees who are or may be “covered employees,” as defined in Section 162(m) of the Code, that are intended to be performance-based awards within the meaning of Section 162(m) of the Code in order to preserve the deductibility of these awards for federal income tax purposes. Participants are only entitled to receive payment for performance-based awards for any given performance period to the extent that pre-established performance goals set by the plan administrator for the period are satisfied. The plan administrator determined the type of performance-based awards to be granted, the performance period and the performance goals. Generally, a participant will have to be employed by us on the date the performance-based award is paid to be eligible for a performance-based award for any period.

Adjustments. In the event of certain changes in our capitalization, the plan administrator has broad discretion to adjust awards, including without limitation, (i) the aggregate number and type of shares that could be issued under the Third Amended and Restated 2006 Incentive Award Plan, (ii) the terms and conditions of any outstanding awards, and (iii) the grant or exercise price per share for any outstanding awards under such plan to account for such changes. The plan administrator also has the authority to cash out, terminate or provide for the assumption or substitution of outstanding awards in the event of a corporate transaction.

Change in Control. In the event of a change in control of our company in which outstanding awards are not assumed by the successor, such awards will generally become fully exercisable and all forfeiture restrictions on such awards will lapse. Upon, or in anticipation of, a change in control, the plan administrator may cause any awards outstanding to terminate at a specific time in the future and give each participant the right to exercise such awards during such period of time as the plan administrator, in its sole discretion, determines.



Vesting of Full Value Awards. Full value awards (generally, any award other than an option or share appreciation right) will vest over a period of at least three years (or, in the case of vesting based upon attainment of certain performance goals, over a period of at least one year). However, full value awards that result in the issuance of an aggregate of up to 5% to the total issuable shares under the Third Amended and Restated 2006 Incentive Award Plan may be granted without any minimum vesting periods. In addition, full value awards may vest on an accelerated basis in the event of a participant's death, disability, or retirement, or in the event of our change in control or other special circumstances.

Non-transferability. Awards granted under the Third Amended and Restated 2006 Incentive Award Plan are generally not transferable.

Withholding. We have the right to withhold, deduct or require a participant to remit to us an amount sufficient to satisfy federal, state, local or foreign taxes (including the participant's employment tax obligations) required by law to be withheld with respect to any tax concerning the participant as a result of the Third Amended and Restated 2006 Incentive Award Plan.

Termination or Amendment. On May 31, 2016, our Third Amended and Restated 2006 Incentive Award Plan expired pursuant to its terms.

Outstanding Awards. As at March 31, 2017, options or RSUs to purchase an aggregate of 3,160,644 ordinary shares were outstanding, out of which options or RSUs to purchase 1,423,417 ordinary shares were held by all our directors and executive officers as a group. The exercise prices of these options range from \$15.32 to \$35.30 and the expiration dates of these options range from April 1, 2017 to April 26, 2026. The weighted average grant date fair value of RSUs granted during fiscal 2017, 2016 and 2015 were \$30.26, \$25.16 and \$19.19 per ADS, respectively. There is no purchase price for the RSUs.

RSU Grants Outside of our Plans

On June 1, 2016, June 14, 2016 and July 13, 2016, we issued an aggregate of 44,284 restricted share units to certain of our employees and directors pursuant to an exemption from registration under the United States federal securities laws. We did not seek shareholder approval for these issuances as they are not required under the laws of Jersey.

2016 Incentive Award Plan

We adopted 2016 Incentive Award Plan on September 27, 2016. The purpose of the 2016 Incentive Award Plan is to promote the success and enhance the value of our company by linking the personal interests of the directors, employees, and consultants of our company and our subsidiaries to those of our shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to our shareholders. The 2016 Incentive Award Plan is further intended to provide us with flexibility in our ability to motivate, attract, and retain the services of these individuals, upon whose judgment, interest, and special effort the successful conduct of our company's operation is largely dependent.

Shares Available for Awards

Subject to certain adjustments set forth in the 2016 Incentive Award Plan, the maximum number of shares and ADSs, in the aggregate, which may be issued or transferred pursuant to awards under the 2016 Incentive Award Plan is equal to the sum of (x) 2,500,000 shares, and (y) any shares or ADSs which immediately prior to the expiration of the Third Amended and Restated 2006 Incentive Award Plan were available for issuance or transfer as new awards under the Third Amended and Restated 2006 Incentive Award Plan, and (z) any shares or ADSs subject to awards under the Third Amended and Restated 2006 Plan which terminate, expire, forfeit, lapse for any reason or are settled in cash on or after the effective date of the 2016 Incentive Award Plan. Immediately prior to the expiration of the Third Amended and Restated 2006 Incentive Award Plan, 1,112,825 shares were available for issuance or transfer as new awards thereunder. To the extent that an award terminates, expires, or lapses for any reason, or is settled in cash, any shares or ADSs subject to the award shall again be available for the grant of an award pursuant to the 2016 Incentive Award Plan. Any shares or ADSs tendered or withheld to satisfy the grant or exercise price or tax withholding obligation pursuant to any award shall not subsequently be available for grant of an award pursuant to the 2016 Incentive Award Plan.

Administration. The 2016 Incentive Award Plan is administered by our Board of Directors, which may delegate its authority to a committee. We anticipate that our Compensation Committee will administer The 2016 Incentive Award Plan, except that our Board of Directors will administer the plan with respect to awards granted to our independent directors. The plan administrator will determine eligibility, the types and sizes of awards, the price and timing of awards and the acceleration or waiver of any vesting restriction, provided that the plan administrator will not have the authority to accelerate vesting or waive the forfeiture of any performance-based awards.



Eligibility. Our employees, consultants and directors and those of our subsidiaries are eligible to be granted awards, except that only employees of our company and our qualifying corporate subsidiaries are eligible to be granted options that are intended to qualify as “incentive share options” under Section 422 of the Code.



Awards

Options: The plan administrator may grant options on shares. The per share option exercise price of all options granted pursuant to the 2016 Incentive Award Plan will not be less than 100% of the fair market value of a share on the date of grant. No incentive share option may be granted to a grantee who owns more than 10% of our outstanding shares unless the exercise price is at least 110% of the fair market value of a share on the date of grant. To the extent that the aggregate fair market value of the shares subject to an incentive share option become exercisable for the first time by any option holder during any calendar year exceeds \$100,000, such excess will be treated as a non-qualified option. The plan administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other property acceptable to the plan administrator (and may involve a cashless exercise of the option). The plan administrator shall designate in the award agreement evidencing each share option grant whether such share option shall be exercisable for shares or ADSs. The award agreement may, in the sole discretion of the plan administrator, permit the option holder to elect, at the time of exercise, whether to receive shares or ADSs in respect of the exercised share option or a portion thereof. The term of options granted under The 2016 Incentive Award Plan may not exceed ten years from the date of grant. However, the term of an incentive share option granted to a person who owns more than 10% of our outstanding shares on the date of grant may not exceed five years. Under The 2016 Incentive Award Plan, the number of awards to be granted to our independent directors will be determined by our Board of Directors or our Compensation Committee.



Restricted Shares. The plan administrator may grant shares subject to various restrictions, including restrictions on transferability, limitations on the right to vote and/or limitations on the right to receive dividends.

Share Appreciation Rights. The plan administrator may grant share appreciation rights representing the right to receive payment of an amount equal to the excess of the fair market value of a share on the date of exercise over the fair market value of a share on the date of grant. The term of share appreciation rights granted may not exceed ten years from the date of grant. The plan administrator may elect to pay share appreciation rights in cash, in shares or in a combination of cash and shares.

Performance Shares and Performance Share Units. The plan administrator may grant awards of performance shares denominated in a number of shares and/or awards of performance share units denominated in unit equivalents of shares and/or units of value, including dollar value of shares. These awards may be linked to performance criteria measured over performance periods as determined by the plan administrator.

Share Payments. The plan administrator may grant share payments, including payments in the form of shares or options or other rights to purchase shares. Share payments may be based upon specific performance criteria determined by the plan administrator on the date such share payments are made or on any date thereafter.

Deferred Shares. The plan administrator may grant awards of deferred shares linked to performance criteria determined by the plan administrator. Shares underlying deferred share awards will not be issued until the deferred share awards have vested, pursuant to a vesting schedule or upon the satisfaction of any vesting conditions or performance criteria set by the plan administrator. Recipients of deferred share awards generally will have no rights as shareholders with respect to such deferred shares until the shares underlying the deferred share awards have been issued.

Restricted Share Units. The plan administrator may grant RSUs, subject to various vesting conditions. On the maturity date, we will transfer to the participant one unrestricted, fully transferable share for each vested RSU scheduled to be paid out on such date. The plan administrator will specify the purchase price, if any, to be paid by the participant for such shares. Generally, a participant will have to be employed by us on the date of payment of vested RSUs to be eligible to receive the payment of shares issuable upon vesting of the RSUs.

Performance Bonus Awards. The plan administrator may grant a cash bonus payable upon the attainment of performance goals based on performance criteria and measured over a performance period determined appropriate by the plan administrator. Any such cash bonus paid to a "covered employee" within the meaning of Section 162(m) of the Code may be a performance-based award as described below.

Performance-Based Awards. The plan administrator may grant awards other than options and share appreciation rights to employees who are or may be "covered employees," as defined in Section 162(m) of the Code, that are intended to be performance-based awards within the meaning of Section 162(m) of the Code in order to preserve the deductibility of these awards for federal income tax purposes. Participants are only entitled to receive payment for performance-based awards for any given performance period to the extent that pre-established performance goals set by the plan administrator for the period are satisfied. The plan administrator will determine the type of performance-based awards to be granted, the performance period and the performance goals. Generally, a participant will have to be employed by us on the date the performance-based award is paid to be eligible for a performance-based award for any period.

Adjustments. In the event of certain changes in our capitalization, the plan administrator has broad discretion to adjust awards, including without limitation, (i) the aggregate number and type of shares that may be issued under The 2006 Incentive Award Plan, (ii) the terms and conditions of any outstanding awards, and (iii) the grant or exercise price per share for any outstanding awards under such plan to account for such changes. The plan administrator also has the authority to cash out, terminate or provide for the assumption or substitution of outstanding awards in the event of a corporate transaction.

Change in Control. In the event of a change in control of our company in which outstanding awards are not assumed by the successor, such awards will generally become fully exercisable and all forfeiture restrictions on such awards will lapse. Upon, or in anticipation of, a change in control, the plan administrator may cause any awards outstanding to terminate at a specific time in the future and give each participant the right to exercise such awards during such period of time as the plan administrator, in its sole discretion, determines.



Vesting of Full Value Awards. Full value awards (generally, any award other than an option or share appreciation right) will vest over a period of at least three years (or, in the case of vesting based upon attainment of certain performance goals, over a period of at least one year). However, full value awards that result in the issuance of an aggregate of up to 5% to the total issuable shares under the Third Amended and Restated 2006 Incentive Award Plan may be granted without any minimum vesting periods. In addition, full value awards may vest on an accelerated basis in the event of a participant's death, disability, or retirement, or in the event of our change in control or other special circumstances.

Non-transferability. Awards granted under The 2016 Incentive Award Plan are generally not transferable.

Withholding. We have the right to withhold, deduct or require a participant to remit to us an amount sufficient to satisfy federal, state, local or foreign taxes (including the participant's employment tax obligations) required by law to be withheld with respect to any tax concerning the participant as a result of The 2016 Incentive Award Plan.

Termination or Amendment. An Award of Performance Shares, Performance Share Units, Deferred Shares, Share Payments and Restricted Share Units shall only vest or be exercisable or payable while the Participant is an Employee, Consultant or a member of the Board, as applicable; *provided, however*, that the Committee in its sole and absolute discretion may provide that an Award of Performance Shares, Performance Share Units, Share Payments, Deferred Shares or Restricted Share Units may vest or be exercised or paid subsequent to a termination of employment or service, as applicable, or following a Change in Control of the Company, or because of the Participant's retirement, death or Disability, or otherwise; *provided, however*, that, to the extent required to preserve tax deductibility under Section 162(m) of the Code, any such provision with respect to Performance Shares or Performance Share Units that are intended to constitute Qualified Performance-Based Compensation shall be subject to the requirements of Section 162(m) of the Code that apply to Qualified Performance-Based Compensation.

Outstanding Awards. As at March 31, 2017, options or RSUs to purchase an aggregate of 235,510 ordinary shares were outstanding, out of which options or RSUs to purchase Nil ordinary shares were held by all our directors and executive officers as a group. The expiration dates of these RSUs range from November 30, 2026 to March 22, 2027. The weighted average grant date fair value of RSUs granted during fiscal 2017, 2016 and 2015 were \$30.26, \$25.16 and \$19.19 per ADS, respectively. There is no purchase price for the RSUs.

Other Employee Benefits

We also maintain other employee benefit plans in the form of certain statutory and incentive plans covering substantially all of our employees. For fiscal 2017, the total amount accrued by us to provide for pension, retirement or similar benefits was \$12.9 million.

Provident Fund

In accordance with Indian, Philippines and Sri Lankan laws, all of our employees in these countries are entitled to receive benefits under the respective government provident fund, a defined contribution plan to which both we and the employee contribute monthly at a pre-determined rate (for India and Sri Lanka, currently 12% of the employee's base salary and for the Philippines, 100 Philippines pesos per month for every employee). These contributions are made to the respective government provident fund and we have no further obligation under this fund apart from our monthly contributions. We contributed an aggregate of \$8.4 million, \$5.9 million and \$5.8 million in each of fiscal 2017, 2016 and 2015, respectively, to the government provident fund.

US Savings Plan

Eligible employees in the US participate in a savings plan (the "US Savings Plan"), pursuant to Section 401(k) of the Code. The US Savings Plan allows our employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions there under. The US Savings Plan provides that we can make optional contributions up to the maximum allowable limit under the Code.



UK Pension Scheme

Eligible employees in the UK contribute to a defined contribution pension scheme operated in the UK. The assets of the scheme are held separately from ours in an independently administered fund. The pension expense represents contributions payable to the fund by us.

Gratuity

In accordance with Indian, the Philippines and Sri Lankan laws, we provide for gratuity liability pursuant to a defined benefit retirement plan covering all our employees in India, the Philippines and Sri Lanka. Our gratuity plan provides for a lump sum payment to eligible employees on retirement, death, incapacitation or on termination of employment (provided such employee has worked for at least five years with our company) which is computed on the basis of employee's salary and length of service with us (subject to a maximum of approximately \$15,420 per employee in India). In India, we provide the gratuity benefit through determined contributions pursuant to a non-participating annuity contract administered and managed by the Life Insurance Corporation of India ("LIC") and Aviva Life Insurance Company Private Limited. Under this plan, the obligation to pay gratuity remains with us although LIC and Aviva Life Insurance Company Private Limited administer the plan. We contributed an aggregate of \$1.1 million, \$0.9 million and \$0.9 million in fiscal 2017, 2016 and 2015, respectively, to LIC and Aviva Life Insurance Company Private Limited.

Compensated Absence

Our liability for compensated absences, which are expected to be utilized or settled within one year, is determined on an accrual basis for the carried forward unused vacation balances standing to the credit of each employee as at year-end and is charged to income in the year in which they accrue.

Our liability for compensated absences, which are expected to be utilized after one year is determined on the basis of an actuarial valuation using the projected unit credit method and is charged to income in the year in which they accrue.

C. Board Practices

Composition of the Board of Directors

Our Memorandum and Articles of Association provide that our Board of Directors consists of not less than three directors and such maximum number as our directors may determine from time to time. Our Board of Directors currently consists of eight directors. Each of Messrs. Dillon, Aboody, Williams, Freeland and Menezes, Mrs. Karnad, and Ms. Gri satisfies the "independence" requirements of the NYSE rules.

All directors hold office until the expiry of their term of office, their resignation or removal from office for gross negligence or criminal conduct by a resolution of our shareholders or until they cease to be directors by virtue of any provision of law or they are disqualified by law from being directors or they become bankrupt or make any arrangement or composition with their creditors generally or they become of unsound mind. The term of office of the directors is divided into three classes:

- Class I, whose term will expire at the annual general meeting to be held in fiscal 2020;
- Class II, whose term will expire at the annual general meeting to be held in fiscal 2018; and
- Class III, whose term will expire at the annual general meeting to be held in fiscal 2019.

Our directors for fiscal 2017 are classified as follows:

- Class I: Mr. Gareth Williams and Mr. Adrian T. Dillon;
- Class II: Mr. Keshav R. Muruges, Mr. Albert Aboody and Mr. Michael Menezes; and
- Class III: Ms. Françoise Gri, Mr. John Freeland and Mrs. Renu S. Karnad.

The appointments of Messrs. Muruges, Aboody and Menezes will expire at the next annual general meeting, which we expect to hold in September 2017. Messrs. Muruges, and Mr. Menezes have expressed their willingness to be re-elected and, accordingly, we propose to seek shareholders' approval for their re-election at the next annual general meeting. Mr. Aboody has decided not to stand for re-election and his term of directorship will expire at the next annual general meeting. We are currently in the process of identifying a new director candidate.



At each annual general meeting after the initial classification or special meeting in lieu thereof, the successors to directors whose terms will then expire serve from the time of election until the third annual meeting following election or special meeting held in lieu thereof. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of the Board of Directors may have the effect of delaying or preventing changes in control of management of our company.

There are no family relationships among any of our directors or executive officers. The employment agreement governing the services of one of our directors provide for benefits upon termination of employment as described above.

Our Board of Directors held seven meetings in fiscal 2017.

Board Leadership Structure and Board Oversight of Risk

Different individuals currently serve in the roles of Chairman of the Board and Group Chief Executive Officer of our company. Our Board believes that splitting the roles of Chairman of the Board and Group Chief Executive Officer is currently the most appropriate leadership structure for our company. This leadership structure will bring in greater efficiency as a result of vesting two important leadership roles in separate individuals and increased independence for the Board of Directors.

Board's Role in Risk Oversight

Our Board of Directors is primarily responsible for overseeing our risk management processes. The Board of Directors receives and reviews periodic reports from the Head of Risk Management and Audit as considered appropriate regarding our company's assessment of risks. The Board of Directors focuses on the most significant risks facing our company and our company's general risk management strategy, and also ensures that risks undertaken by our company are consistent with the Board's appetite for risk. While the Board oversees our company's risk management, management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks facing our company and that our Board leadership structure supports this approach.

The Audit Committee has special responsibilities with respect to financial risks, and regularly reports to the full Board of Directors on these issues. Among other responsibilities, the Audit Committee reviews our company's policies with respect to contingent liabilities and risks that may be material to our company, our company's policies and procedures designed to promote compliance with laws, regulations, and internal policies and procedures, and major legislative and regulatory developments which could materially impact our company.

The Compensation Committee also plays a role in risk oversight as it relates to our company's compensation policies and practices. Among other responsibilities, the Compensation Committee designs and evaluates our company's executive compensation policies and practices so that our company's compensation programs promote accountability among employees and the interests of employees are properly aligned with the interests of our shareholders.

Committees of the Board

Our Board of Directors has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.



Audit Committee

The Audit Committee comprises four directors: Messrs. Albert Aboody (Chairman), Michael Menezes and John Freeland and Ms. Francoise Gri. Each of Messrs. Aboody, Menezes and Freeland and Ms. Gri satisfies the “independence” requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the NYSE listing standards. The principal duties and responsibilities of our Audit Committee are as follows:

- to serve as an independent and objective party to monitor our financial reporting process and internal control systems;
- to review and appraise the audit efforts of our independent accountants and exercise ultimate authority over the relationship between us and our independent accountants; and
- to provide an open avenue of communication among the independent accountants, financial and senior management and the Board of Directors.

The Audit Committee has the power to investigate any matter brought to its attention within the scope of its duties. It also has the authority to retain counsel and advisors to fulfill its responsibilities and duties. Messrs. Aboody and Menezes serve as our Audit Committee financial experts, within the requirements of the rules promulgated by the Commission relating to listed-company audit committees.

We have posted our Audit Committee charter on our website at www.wns.com. **Information contained in our website does not constitute a part of this annual report.**

The Audit Committee held four meetings in fiscal 2017.

Compensation Committee

The Compensation Committee comprises three directors: Messrs. Gareth Williams (Chairman) and Adrian T. Dillon and Mrs. Renu S. Karnad. Each of Messrs. Williams and Dillon and Mrs. Karnad satisfies the “independence” requirements of the NYSE listing standards. The scope of this committee’s duties includes determining the compensation of our executive officers and other key management personnel. The Compensation Committee also administers the Third Amended and Restated 2006 Incentive Award Plan and the 2016 Incentive Award Plan, reviews performance appraisal criteria and sets standards for and decides on all employee shares options allocations when delegated to do so by our Board of Directors.

We have posted our Compensation Committee charter on our website at www.wns.com. **Information contained in our website does not constitute a part of this annual report.**

The Compensation Committee held five meetings in fiscal 2017.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee comprises three directors: Mrs. Renu S. Karnad (Chairman) and Messrs. Adrian T. Dillon and Gareth Williams. Each of Mrs. Karnad and Messrs. Dillon and Williams satisfies the “independence” requirements of the NYSE listing standards. The principal duties and responsibilities of the nominating and governance committee are as follows:

- to assist the Board of Directors by identifying individuals qualified to become board members and members of board committees, to recommend to the Board of Directors nominees for the next annual meeting of shareholders, and to recommend to the Board of Directors nominees for each committee of the Board of Directors;
- to monitor our corporate governance structure; and
- to periodically review and recommend to the Board of Directors any proposed changes to the corporate governance guidelines applicable to us.



We have posted our Nominating and Corporate Governance Committee charter on our website at www.wns.com. **Information contained in our website does not constitute a part of this annual report.**

The Nominating and Corporate Governance Committee uses its judgment to identify well qualified individuals who are willing and able to serve on our Board of Directors. Pursuant to its charter, the Nominating and Corporate Governance Committee may consider a variety of criteria in recommending candidates for election to our board, including an individual's personal and professional integrity, ethics and values; experience in corporate management, such as serving as an officer or former officer of a publicly held company, and a general understanding of marketing, finance and other elements relevant to the success of a publicly-traded company in today's business environment; experience in our company's industry and with relevant social policy concerns; experience as a board member of another publicly held company; academic expertise in an area of our company's operations; and practical and mature business judgment, including ability to make independent analytical inquiries.

While the Nominating and Corporate Governance Committee does not have a formal policy with respect to the consideration of diversity in identifying director nominees, it nevertheless considers director nominees with a diverse range of backgrounds, skills, national origins, values, experiences, and occupations.

The Nominating and Corporate Governance Committee held four meetings in fiscal 2017.

Executive Sessions

Our non-executive directors meet regularly in executive session without executive directors or management present. The purpose of these executive sessions is to promote open and candid discussion among the non-executive directors. Our non-executive directors held four executive sessions in fiscal 2017.

Shareholders and other interested parties may communicate directly with the presiding director or with our non-executive directors as a group by writing to the following address: WNS (Holdings) Limited, Attention: Non-Executive Directors, Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli (W), Mumbai 400 079, India.

D. Employees

For a description of our employees, see "Part I — Item 4. Information on the Company — Business Overview — Human Capital."

**E. Share Ownership**

The following table sets forth information with respect to the beneficial ownership of our ordinary shares by each of our directors and by all our directors and executive officers as a group as at March 31, 2017. As used in this table, beneficial ownership means the sole or shared power to vote or direct the voting or to dispose of or direct the sale of any security. A person is deemed to be the beneficial owner of securities that can be acquired within 60 days upon the exercise of any option, warrant or right. Ordinary shares subject to options, warrants or rights that are currently exercisable or exercisable within 60 days are deemed outstanding for computing the ownership percentage of the person holding the options, warrants or rights, but are not deemed outstanding for computing the ownership percentage of any other person. The amounts and percentages as at March 31, 2017 are based on an aggregate of 50,012,559 ordinary shares (excluding 3,300,000 treasury shares) outstanding as at that date.

Name	Number of Ordinary Shares Beneficially Owned	
	Number	Percent
Directors		
Adrian T. Dillon ⁽¹⁾	54,700	0.109
Albert Aboody	24,903	0.050
Gareth Williams	10,427	0.021
John Freeland ⁽²⁾	10,027	0.020
Keshav R. Murugesh	669,375	1.338
Michael Menezes	10,427	0.021
Renu S. Karnad	18,656	0.037
Francoise Gri	7,905	0.016
Executive Officers		
Sanjay Puria	60,401	0.121
Ronald Gillette	70,932	0.142
Swaminathan Rajamani	42,391	0.085
All our directors and executive officers as a group (11 persons as of March 31, 2017)	980,144	1.96

Notes:

- (1) Of the 54,700 shares beneficially owned by Mr. Adrian T. Dillon, 16,765 shares are in the form of ADSs.
(2) Of the 10,027 shares beneficially owned by Mr. John Freeland, 4,000 shares are in the form of ADSs.



As at March 31, 2017, there were no options held by our directors and executive officers. The following table sets forth information concerning RSUs held by our directors and executive officers as at March 31, 2017:

RSU Summary				
Name	Number of shares underlying unexercised RSUs held that have vested but unexercised	Number of shares underlying RSUs vesting within 60 days from March 31, 2017	Vesting dates	Number of shares underlying RSUs vesting after 60 days from March 31, 2017
Non-executive Directors				
Adrian T. Dillon	—	—	—	14,066
Albert Aboody	—	—	—	5,712
Gareth Williams	—	—	—	5,273
John Freeland	—	—	—	7,167
Michael Menezes	—	—	—	5,273
Renu S. Karnad	—	—	—	5,273
Françoise Gri	—	—	—	3,426
Executive Officers				
Keshav R. Muruges	388,317	35,424	22-Apr-17	418,332
	—	8,160	27-Apr-17	—
	—	237,474	29-Apr-17	—
Sanjay Puria	35,389	4,300	22-Apr-17	40,700
	—	925	27-Apr-17	—
	—	19,787	29-Apr-17	—
Ronald Gillette	45,479	6,900	22-Apr-17	55,400
	—	1,140	27-Apr-17	—
	—	17,413	29-Apr-17	—
Swaminathan Rajamani	24,414	3,100	22-Apr-17	30,000
	—	630	27-Apr-17	—
	—	14,247	29-Apr-17	—

Share Ownership Guidelines

In July 2014, our Board of Directors adopted a share ownership policy, which was amended in January 2015 and effective from April 1, 2015, outlining the share ownership guidelines for, among other employees, our directors and executive officers. We believe that this policy further aligns the interests of our directors and executive officers with the long-term interests of our shareholders and promotes our commitment to sound corporate governance practices.



Under our amended policy, each of our non-executive directors must hold at least the amount of vested shares of our company by the fifth anniversary of such director’s initial election to the Board as shown in the table below:

Position	Share Ownership Guidelines
For Non-Executive Directors (except Board Chairman)	3.0 x value of annual share grant in \$
For the Board Chairman	4.0 x value of annual share grant in \$

In the event a non-executive director holds at least the required valued of our ordinary shares during the required time period, but the value of the director’s shares decreases below the shareholding requirement due to a decline in the price of our ADSs, the director shall be deemed to have complied with this policy so long as the director does not sell any shares.

Our amended policy provides that our executive officers are required to hold a multiple of their annual base salary in shares of our company as shown in the table below.

Position	Share Ownership Guidelines
Group Chief Executive Officer	4.0 x annual base salary
Chief Operating Officer	2.0 x annual base salary
Chief Financial Officer	1.5 x annual base salary
Chief People Officer	1.0 x annual base salary

Executive officers have five years to achieve the specified ownership level according to the following build-up schedule: achieving a share ownership level equivalent to 5%, 15%, 30%, 60% and 100% of their specified ownership level in the first, second, third, fourth and fifth year, respectively.

Shares owned by immediate family members and any trust for the benefit only of the executive officer/director or his or her family members are included in the determination of such executive officer/director’s share ownership level.



ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information regarding beneficial ownership of our ordinary shares as at March 31, 2017 held by each person who is known to us to have a 5.0% or more beneficial share ownership based on an aggregate of 50,012,559 ordinary shares (excluding 3,300,000 treasury shares) outstanding as of that date. Beneficial ownership is determined in accordance with the rules of the Commission and includes shares over which the indicated beneficial owner exercises voting and/or investment power or receives the economic benefit of ownership of such securities. Ordinary shares subject to options currently exercisable or exercisable within 60 days are deemed outstanding for the purposes of computing the percentage ownership of the person holding the options but are not deemed outstanding for the purposes of computing the percentage ownership of any other person.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage Beneficially Owned ⁽¹⁾
Waddell & Reed Financial Inc. ⁽²⁾	10,161,688	20.32%
FMR LLC ⁽³⁾	5,227,599	10.45%
Nalanda India Fund Limited ⁽⁴⁾	5,211,410	10.42%

Notes:

- (1) Based on an aggregate of 50,012,559 ordinary shares (excluding 3,300,000 treasury shares) outstanding as at March 31, 2017.
- (2) Information is based on Amendment No. 6 to a report on Schedule 13G jointly filed with the Commission on February 14, 2017 by (i) Waddell & Reed Financial, Inc. (“WRF”), a publicly traded company; (ii) Waddell & Reed Financial Services, Inc. (“WRFSI”), a subsidiary of WRF; (iii) Waddell & Reed Inc. (“WRI”), a broker-dealer and underwriting subsidiary of WRFSI; (iv) Waddell & Reed Investment Management Company (“WRIMCO”), an investment advisory subsidiary of WRI; and (v) Ivy Investment Management Company (“IICO”), an investment advisory subsidiary of WRF. IICO and WRIMCO are investment advisors or sub-advisors to one or more open-end investment companies or other managed accounts which are beneficial owners of our ordinary shares. According to this Amendment No. 6, the investment advisory contracts grant IICO and WRIMCO all investment and/or voting power over securities owned by their advisory clients and the investment sub-advisory contracts grant IICO and WRIMCO investment power over securities owned by their sub-advisory clients and, in most cases, voting power. Any investment restriction of a sub-advisory contract does not restrict investment discretion or power in a material manner. Therefore, IICO and/or WRIMCO may be deemed the beneficial owner of the securities covered by this statement under Rule 13d-3 of the Exchange Act. WRF, WRFSI, WRI, WRIMCO and IICO are of the view that they are not acting as a “group” for purposes of Section 13(d) under the Exchange Act. Indirect “beneficial ownership” is attributed to the respective parent companies solely because of the parent companies’ control relationship to WRIMCO and IICO.
- (3) Information is based on Amendment No. 12 to a report on Schedule 13G jointly filed with the Commission on February 14, 2017 by FMR LLC and Abigail P. Johnson. FMR LLC and Abigail P. Johnson jointly filed Amendment No. 13 to a report on Schedule 13G with the Commission on April 10, 2017, reporting beneficial ownership of 5,223,499 ordinary shares. Abigail P. Johnson is a Director, the Chairman and the Chief Executive Officer of FMR LLC. According to this Amendment No. 12, members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders’ voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders’ voting agreement, members of the Johnson family may be deemed, under the US Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act of 1940 (“Fidelity Funds”), advised by Fidelity Management & Research Company (“FMR Co”), a wholly owned subsidiary of FMR LLC. Such power resides with the Fidelity Funds’ Boards of Trustees. FMR Co carries out the voting of the shares under written guidelines established by the Fidelity Funds’ Boards of Trustees.
- (4) Information is based on a report on Schedule 13G filed with the Commission on February 2, 2011 by Nalanda India Fund Limited.



The following summarizes the significant changes in the percentage ownership held by our major shareholders during the past three years:

- WRF, WRFSI, WRI, WRIMCO and IICO jointly reported their percentage ownership of our ordinary shares to be 20.6% (based on the then number of our ordinary shares reported as outstanding at that time) in Amendment No. 3 and 4 to a report on Schedule 13G filed with the Commission on December 10, 2014 and February 13, 2015, respectively, 21.1% (based on the then number of our ordinary shares reported as outstanding at that time) in Amendment No. 5 to a report on Schedule 13G filed with the Commission on February 12, 2016 and 19.8% (based on the then number of our ordinary shares reported as outstanding at that time) in Amendment No. 6 to a report on Schedule 13G filed with the Commission on February 14, 2017.
- FMR LLC reported its percentage ownership of our ordinary shares to be 14.081% (based on the then number of our ordinary shares reported as outstanding at that time) in Amendment No. 10 to a report on Schedule 13G jointly filed with the Commission on February 13, 2015, 9.425% (based on the then number of our ordinary shares reported as outstanding at that time) in Amendment No. 11 to a report on Schedule 13G jointly filed with the Commission on February 12, 2016 9.989% (based on the then number of our ordinary shares reported as outstanding at that time) in Amendment No. 12 to a report on Schedule 13G jointly filed with the Commission on February 14, 2017 and 10.458% (based on the then number of our ordinary shares reported as outstanding at that time) in Amendment No. 13 to a report on Schedule 13G jointly filed with the Commission on April 10, 2017.

None of our major shareholders have different voting rights from our other shareholders.

As at March 31, 2017, 15,466,970 of our ordinary shares, representing 30.93% of our outstanding ordinary shares, were held by a total of 11 holders of record with addresses in the US. As at the same date, 49,721,174 of our ADSs (representing 49,721,174 ordinary shares), representing 99.42% of our outstanding ordinary shares, were held by one registered holder of record with addresses in and outside of the US. Since certain of these ordinary shares and ADSs were held by brokers or other nominees, the number of record holders in the US may not be representative of the number of beneficial holders or where the beneficial holders are resident. All holders of our ordinary shares are entitled to the same voting rights.



B. Related Party Transactions

(Amounts in thousands)

The following is a description of our related party transactions, determined in accordance with the rules and regulations promulgated under the Exchange Act, that were either material to us or the related party, or otherwise unusual or outside the ordinary course of business.

During fiscal 2015, Mr. Gareth Williams was appointed as a Non-Executive director of SAGA Plc. who is our client. During fiscal 2017, we earned a net revenue of \$4,675 from this client.

C. Interests of Experts and Counsel

Not applicable.



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ITEM 8. FINANCIAL INFORMATION**A. Consolidated Statements and Other Financial Information**

Please see “Part III — Item 18. Financial Statements” for a list of the financial statements filed as part of this annual report.

Tax Assessment Orders

Transfer pricing regulations to which we are subject require that any international transaction among the WNS group enterprises be on arm’s-length terms. We believe that the international transactions among the WNS group enterprises are on arm’s-length terms. If, however, the applicable tax authorities determine that the transactions among the WNS group enterprises do not meet arm’s-length criteria, we may incur increased tax liability, including accrued interest and penalties. This would cause our tax expense to increase, possibly materially, thereby reducing our profitability and cash flows. We have signed an advance pricing agreement with the Government of India providing for the agreement on transfer pricing matters over certain transactions covered thereunder for a period of five years starting from April 2013. The applicable tax authorities may also disallow deductions or tax holiday benefits claimed by us and assess additional taxable income on us in connection with their review of our tax returns.

From time to time, we receive orders of assessment from the Indian tax authorities assessing additional taxable income on us and/or our subsidiaries in connection with their review of our tax returns. We currently have orders of assessment for fiscal 2004 through fiscal 2013 pending before various appellate authorities. These orders assess additional taxable income that could in the aggregate give rise to an estimated 2,394.3 million (\$36.9 million based on the exchange rate on March 31, 2017) in additional taxes, including interest of 891.3 million (\$13.7 million based on the exchange rate on March 31, 2017).



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The following sets forth the details of these orders of assessment:

Entities	Tax year(s)	Amount demanded (including interest)		Interest on amount Demanded	
		₹	\$	₹	\$
WNS Global	Fiscal 2004	₹ 12.5	\$ (0.2) ⁽¹⁾	₹ 3.1	\$ (0.1) ⁽¹⁾
WNS Global	Fiscal 2005	₹ 27.4	\$ (0.4) ⁽¹⁾	₹ 8.6	\$ (0.1) ⁽¹⁾
WNS Global	Fiscal 2006	₹ 527.1	\$ (8.1) ⁽¹⁾	₹ 194.9	\$ (2.9) ⁽¹⁾
Permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2006	₹ 67.9	\$ (1.0) ⁽¹⁾	₹ 24.1	\$ (0.4) ⁽¹⁾
WNS Global	Fiscal 2007	₹ 98.7	\$ (1.5) ⁽¹⁾	₹ 31.9	\$ (0.5) ⁽¹⁾
Permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2007	₹ 34.3	\$ (0.5) ⁽¹⁾	₹ 10.8	\$ (0.2) ⁽¹⁾
WNS Global	Fiscal 2008	₹ 819.7	\$ (12.7) ⁽¹⁾	₹ 344.3	\$ (5.3) ⁽¹⁾
WNS BCS	Fiscal 2009	₹ 7.1	\$ (0.1) ⁽¹⁾	₹ 2.3	\$ (0.1) ⁽¹⁾
WNS Global	Fiscal 2010	₹ 60.2	\$ (0.9) ⁽¹⁾	₹ 23.5	\$ (0.4) ⁽¹⁾
WNS BCS	Fiscal 2010	₹ 1.0	\$ (0.1) ⁽¹⁾	—	—
WNS BCS	Fiscal 2011	₹ 9.7	\$ (0.1) ⁽¹⁾	₹ 3.2	\$ (0.1) ⁽¹⁾
WNS Global	Fiscal 2012	₹ 305.7	\$ (4.7) ⁽¹⁾	₹ 107.4	\$ (1.6) ⁽¹⁾
WNS Global	Fiscal 2013	₹ 423.0	\$ (6.6) ⁽¹⁾	₹ 137.2	\$ (2.0) ⁽¹⁾
Total		₹2,394.3	\$ (36.9)⁽¹⁾	₹ 891.3	\$ (13.7)⁽¹⁾

Note:

(1) Based on the exchange rate as at March 31, 2017.



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The aforementioned orders of assessment allege that the transfer prices we applied to certain of the international transactions between WNS Global or WNS BCS (each of which is one of our Indian subsidiaries), as the case may be, and our other wholly-owned subsidiaries named above were not on arm's-length terms, disallow a tax holiday benefit claimed by us, deny the set-off of brought forward business losses and unabsorbed depreciation and disallow certain expenses claimed as tax deductible by WNS Global or WNS BCS, as the case may be. As at March 31, 2017, we have provided a tax reserve of ₹806.2 million (\$12.4 million based on the exchange rate on March 31, 2017) primarily on account of the Indian tax authorities' denying the set off of brought forward business losses and unabsorbed depreciation. We have appealed against these orders of assessment before higher appellate authorities.

In addition, we currently have orders of assessment pertaining to similar issues that have been decided in our favor by first level appellate authorities, vacating tax demands of ₹2,890.6 million (\$44.6 million based on the exchange rate on March 31, 2017) in additional taxes, including interest of ₹891.1 million (\$13.7 million based on the exchange rate on March 31, 2017). The income tax authorities have filed appeals against these orders at higher appellate authorities.

In case of disputes, the Indian tax authorities may require us to deposit with them all or a portion of the disputed amounts pending resolution of the matters on appeal. Any amount paid by us as deposits will be refunded to us with interest if we succeed in our appeals. We have deposited some portion of the disputed amount with the tax authorities and may be required to deposit the remaining portion of the disputed amount with the tax authorities pending final resolution of the respective matters.

As at March 31, 2017, corporate tax returns for fiscal years 2014 (for certain legal entities) and thereafter remain subject to examination by tax authorities in India.

After consultation with our Indian tax advisors and based on the facts of these cases, certain legal opinions from counsel, the nature of the tax authorities' disallowances and the orders from first level appellate authorities deciding similar issues in our favor in respect of assessment orders for earlier fiscal years, we believe these orders are unlikely to be sustained at the higher appellate authorities and we intend to vigorously dispute the orders of assessment.

In March 2009, we also received an assessment order from the Indian Service Tax Authority demanding payment of ₹348.1 million (\$5.4 million based on the exchange rate on March 31, 2017) of service tax and related penalty for the period from March 1, 2003 to January 31, 2005. The assessment order alleges that service tax is payable in India on BPM services provided by WNS Global to clients based abroad as the export proceeds are repatriated outside India by WNS Global. In response to an appeal filed by us with the appellate tribunal against the assessment order in April 2009, the appellate tribunal has remanded the matter back to the lower tax authorities to be adjudicated afresh. Based on consultations with our Indian tax advisors, we believe this order of assessment is more likely than not to be upheld in our favor. We intend to continue to vigorously dispute the assessment.

In 2016, we also received an assessment order from the Sri Lankan Tax Authority, demanding payment of LKR 25.2 million (\$0.2 million based on the exchange rate on March 31, 2017) in connection with the review of our tax return for fiscal year 2012. The assessment order challenges the tax exemption that we have claimed for export business. We have filed an appeal against the assessment order with the Sri Lankan Tax Appeal Commission in this regard. Based on consultations with our tax advisors, we believe this order of assessment is more likely than not to be upheld in our favor. We intend to continue to vigorously dispute the assessment.

No assurance can be given, however, that we will prevail in our tax disputes. If we do not prevail, payment of additional taxes, interest and penalties may adversely affect our results of operations, financial condition and cash flows. There can also be no assurance that we will not receive similar or additional orders of assessment in the future.



Dividend Policy

Subject to the provisions of the 1991 Law and our Articles of Association, we may by ordinary resolution declare dividends to be paid to our shareholders according to their respective rights. Any dividends we may declare must not exceed the amount recommended by our Board of Directors. Our Board may declare and pay an interim dividend or dividends, including a dividend payable at a fixed rate, if paying an interim dividend or dividends appears to the Board to be justified. See “Part I — Item 10. Additional Information — B. Memorandum and Articles of Association.” We can only declare dividends if our directors who are to authorize the distribution make a prior statement that, having made full enquiry into our affairs and prospects, they have formed the opinion that:

- immediately following the date on which the distribution is proposed to be made, we will be able to discharge our liabilities as they fall due; and
- having regard to our prospects and to the intentions of our directors with respect to the management of our business and to the amount and character of the financial resources that will in their view be available to us, we will be able to continue to carry on business and we will be able to discharge our liabilities as they fall due until the expiry of the period of 12 months immediately following the date on which the distribution is proposed to be made or until we are dissolved under Article 150 of the 1991 Law, whichever first occurs.

We have never declared or paid any dividends on our ordinary shares. Any future determination to pay cash dividends will be at the discretion of our Board of Directors and will be dependent upon our results of operations and cash flows, our financial position and capital requirements, general business conditions, legal, tax, regulatory and any contractual restrictions on the payment of dividends and any other factors our Board of Directors deems relevant at the time.

Subject to the deposit agreement governing the issuance of our ADSs, holders of ADSs will be entitled to receive dividends paid on the ordinary shares represented by such ADSs.

B. Significant Changes

There have been no significant subsequent events following the close of the last fiscal year up to the date of this annual report that are known to us and require disclosure in this document for which disclosure was not made in this annual report.



ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our ADSs, commenced trading on the NYSE on July 26, 2006. The ADSs were issued by our depository, Deutsche Bank Trust Company Americas, pursuant to a deposit agreement. The number of our outstanding ordinary shares (including the ordinary shares underlying ADSs) as at March 31, 2017 was 50,012,559 (excluding 3,300,000 treasury shares). As at March 31, 2017, there were 49,721,174 ADSs outstanding (representing 49,721,174 ordinary shares).

The high and low last reported sale prices per ADS for the periods indicated are as shown below:

	Price per ADS on NYSE	
	High	Low
Fiscal year:		
2013	\$ 15.01	\$ 9.07
2014	\$ 22.61	\$ 13.37
2015	\$ 25.97	\$ 17.11
2016	\$ 34.36	\$ 23.28
2017	\$ 32.82	\$ 24.82
Fiscal Quarter:		
2016		
First quarter	\$ 27.99	\$ 23.28
Second quarter	\$ 31.50	\$ 26.11
Third quarter	\$ 34.36	\$ 27.94
Fourth quarter	\$ 31.03	\$ 25.09
2017		
First quarter	\$ 32.82	\$ 26.04
Second quarter	\$ 30.87	\$ 25.98
Third quarter	\$ 30.01	\$ 24.82
Fourth quarter	\$ 30.12	\$ 26.68
Month:		
December 2016	\$ 27.83	\$ 24.92
January 2017	\$ 30.12	\$ 26.68
February 2017	\$ 29.42	\$ 27.54
March 2017	\$ 29.11	\$ 27.43
April 2017	\$ 32.99	\$ 27.69
May 2017	\$ 33.97	\$ 31.20

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs are listed on the NYSE under the symbol “WNS.”

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.



ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

General

We were incorporated in Jersey, Channel Islands, as a private limited company (with registered number 82262) on February 18, 2002 pursuant to the 1991 Law. We converted from a private limited company to a public limited company on January 4, 2006 when we acquired more than 30 shareholders as calculated in accordance with Article 17A of the 1991 Law. We gave notice of this to the JFSC in accordance with Article 17(3) of the 1991 Law on January 12, 2006.

The address of our secretary and share registrar is Mourant Ozannes Corporate Services (Jersey) Limited or Mourant, at 22 Grenville Street, St Helier, Jersey JE4 8PX. Our share register is maintained at the premises of Mourant.

Our activities are regulated by our Memorandum and Articles of Association. We adopted an amended and restated Memorandum and Articles of Association by special resolution of our shareholders passed on May 22, 2006. This amended and restated Memorandum and Articles of Association came into effect immediately prior to the completion of our initial public offering in July 2006. The material provisions of our amended and restated Memorandum and Articles of Association are described below. In addition to our Memorandum and Articles of Association, our activities are regulated by (among other relevant legislation) the 1991 Law. Our Memorandum of Association states our company name, that we are a public company, that we are a par value company, our authorized share capital and that the liability of our shareholders is limited to the amount (if any) unpaid on their shares. Below is a summary of some of the provisions of our Articles of Association. It is not, nor does it purport to be, complete or to identify all of the rights and obligations of our shareholders. The summary is qualified in its entirety by reference to our Memorandum and Articles of Association. See “Part III — Item 19. Exhibits — Exhibit 1.1” and “Part III — Item 19. Exhibits — Exhibit 1.2.”

The rights of shareholders described in this section are available only to persons who hold our certificated shares. ADS holders do not hold our certificated shares and therefore are not directly entitled to the rights conferred on our shareholders by our Articles of Association or the rights conferred on shareholders of a Jersey company by the 1991 Law, including, without limitation: the right to receive dividends and the right to attend and vote at shareholders meetings; the rights described in “— Other Jersey Law Considerations — Mandatory Purchases and Acquisitions” and “— Other Jersey Law Considerations — Compromises and Arrangements,” the right to apply to a Jersey court for an order on the grounds that the affairs of a company are being conducted in a manner which is unfairly prejudicial to the interests of its shareholders; and the right to apply to the JFSC to have an inspector appointed to investigate the affairs of a company. ADS holders are entitled to receive dividends and to exercise the right to vote only in accordance with the deposit agreement.



Share Capital

As at March 31, 2017, the authorized share capital is £6,100,000, divided into 60,000,000 ordinary shares of 10 pence each and 1,000,000 preferred shares of 10 pence each. As at March 31, 2017, 2016 and 2015, we had 50,012,559 (excluding 3,300,000 treasury shares), 51,306,304 (excluding 1,100,000 treasury shares) and 51,950,662 ordinary shares outstanding, respectively. The increase in the number of ordinary shares outstanding during the last three fiscal years resulted from the issuance of ordinary shares pursuant to our three share-based incentive plans: our 2002 Stock Incentive Plan, our 2006 Incentive Award Plan (as amended and restated) and our 2016 Incentive Award Plan. We have not issued any shares for consideration other than cash. There are no preferred shares outstanding.

Pursuant to Jersey law and our Memorandum and Articles of Association, our Board of Directors by resolution may establish one or more classes of preferred shares having such number of shares, designations, dividend rates, relative voting rights, liquidation rights and other relative participation, optional or other special rights, qualifications, limitations or restrictions as may be fixed by the board without any further shareholder approval. Such rights, preferences, powers and limitations as may be established could also have the effect of discouraging an attempt to obtain control of us. None of our shares have any redemption rights.

Capacity

Under the 1991 Law, the doctrine of *ultra vires* in its application to companies is abolished and accordingly the capacity of a Jersey company is not limited by anything in its memorandum or articles or by any act of its members.

Changes in Capital or our Memorandum and Articles of Association

Subject to the 1991 Law and our Articles of Association, we may by special resolution at a general meeting:

- increase our authorized or paid-up share capital;
- consolidate and divide all or any part of our shares into shares of a larger amount than is fixed by our Memorandum of Association;
- sub-divide all or any part of our shares into shares of smaller amount than is fixed by our Memorandum of Association;
- convert any of our issued or unissued shares into shares of another class;
- convert all our issued par value shares into no par value shares and vice versa;
- convert any of our paid-up shares into stock, and reconvert any stock into any number of paid-up shares of any denomination;
- convert any of our issued limited shares into redeemable shares which can be redeemed;
- cancel shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of the authorized share capital by the amount of the shares so cancelled;
- reduce our issued share capital; or
- alter our Memorandum or Articles of Association.

General Meetings of Shareholders

We may at any time convene general meetings of shareholders. We hold an annual general meeting for each fiscal year. Under the 1991 Law, no more than 18 months may elapse between the date of one annual general meeting and the next.



Our Articles of Association provide that annual general meetings and meetings calling for the passing of a special resolution require 21 days' notice of the place, day and time of the meeting in writing to our shareholders. Any other general meeting requires no less than 14 days' notice in writing. Our directors may, at their discretion, and upon a request made in accordance with the 1991 Law by shareholders holding not less than one tenth of our total voting rights our directors shall, convene a general meeting. Our business may be transacted at a general meeting only when a quorum of shareholders is present. Two shareholders entitled to attend and to vote on the business to be transacted (or a proxy for a shareholder or a duly authorized representative of a corporation which is a shareholder) and holding shares conferring not less than one-third of the total voting rights, constitute a quorum provided that if at any time all of our issued shares are held by one shareholder, such quorum shall consist of the shareholder present in person or by proxy.

The annual general meetings deal with and dispose of all matters prescribed by our Articles of Association and by the 1991 Law including:

- the consideration of our annual financial statements and report of our directors and auditors;
- the election of directors (if necessary);
- the appointment of auditors and the fixing of their remuneration;
- the sanction of dividends; and
- the transaction of any other business of which notice has been given.

Failure to hold an annual general meeting is an offence by our company and our directors under the 1991 Law and carries a potential fine of up to £5,000 for our company and each director.

Voting Rights

Subject to any special terms as to voting on which any shares may have been issued or may from time to time be held, at a general meeting, every shareholder who is present in person (including any corporation present by its duly authorized representative) shall on a show of hands have one vote and every shareholder present in person or by proxy shall on a poll have one vote for each share of which he is a holder. In the case of joint holders only one of them may vote and in the absence of election as to who is to vote, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

A shareholder may appoint any person (whether or not a shareholder) to act as his proxy at any meeting of shareholders (or of any class of shareholders) in respect of all or a particular number of the shares held by him. A shareholder may appoint more than one person to act as his proxy and each such person shall act as proxy for the shareholder for the number of shares specified in the instrument appointing the person a proxy. If a shareholder appoints more than one person to act as his proxy, each instrument appointing a proxy shall specify the number of shares held by the shareholder for which the relevant person is appointed his proxy. Each duly appointed proxy has the same rights as the shareholder by whom he was appointed to speak at a meeting and vote at a meeting in respect of the number of shares held by the shareholder for which the relevant proxy is appointed his proxy.

For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof or in order to make a determination of shareholders for any other proper purpose, our directors may fix in advance a date as the record date for any such determination of shareholders.

Shareholder Resolutions

An ordinary resolution requires the affirmative vote of a simple majority (i.e., more than 50%) of our shareholders entitled to vote in person (or by corporate representative in case of a corporate entity) or by proxy at a general meeting.

A special resolution requires the affirmative vote of a majority of not less than two-thirds of our shareholders entitled to vote in person (or by corporate representative in the case of a corporate entity) or by proxy at a general meeting.

Our Articles of Association prohibit the passing of shareholder resolutions by written consent to remove an auditor or to remove a director before the expiry of his term of office.



Dividends

Subject to the provisions of the 1991 Law and of the Articles of Association, we may, by ordinary resolution, declare dividends to be paid to shareholders according to their respective rights and interests in our distributable reserves. However, no dividend shall exceed the amount recommended by our directors.

Subject to the provisions of the 1991 Law, we may declare and pay an interim dividend or dividends, including a dividend payable at a fixed rate, if an interim dividend or dividends appears to us to be justified by our distributable reserves.

Except as otherwise provided by the rights attached to any shares, all dividends shall be declared and paid according to the amounts paid up (as to both par and any premium) otherwise than in advance of calls, on the shares on which the dividend is paid. All dividends unclaimed for a period of ten years after having been declared or become due for payment shall, if the directors so resolve, be forfeited and shall cease to remain owing by us and shall henceforth belong to us absolutely.

We may, with the authority of an ordinary resolution, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid-up shares or debentures of any other company, or in any one or more of those ways.

We may also with the prior authority of an ordinary resolution, and subject to such conditions as we may determine, offer to holders of shares the right to elect to receive shares, credited as fully paid, instead of the whole, or some part, to be determined by us, of any dividend specified by the ordinary resolution.

For the purposes of determining shareholders entitled to receive a dividend or distribution, our directors may fix a record date for any such determination of shareholders. A record date for any dividend or distribution may be on or at any time before any date on which such dividend or distribution is paid or made and on or at any time before or after any date on which such dividend or distribution is declared.

Ownership Limitations

Our Articles of Association and the 1991 Law do not contain limits on the number of shares that a shareholder may own.

Transfer of Shares

Every shareholder may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by us. The instrument must be executed by or on behalf of the transferor and, in the case of a transfer of a share which is not fully paid up, by or on behalf of the transferee. The transferor is deemed to remain the holder until the transferee's name is entered in the register of shareholders.

We may, in our absolute discretion and without giving any reason, refuse to register any transfer of a share or renunciation of a renounceable letter of allotment unless:

- it is in respect of a share which is fully paid-up;
- it is in respect of only one class of shares;
- it is in favor of a single transferee or not more than four joint transferees;
- it is duly stamped, if so required; and
- it is delivered for registration to our registered office for the time being or another place that we may from time to time determine accompanied by the certificate for the shares to which it relates and any other evidence as we may reasonably require to prove the right of the transferor or person renouncing to make the transfer or renunciation.

Share Register

We maintain our register of members in Jersey. It is open to inspection during business hours by shareholders without charge and by other persons upon payment of a fee not exceeding £5. Any person may obtain a copy of our register of members upon payment of a fee not exceeding £0.50 per page and providing a declaration under oath as required by the 1991 Law.



Variation of Rights

If at any time our share capital is divided into different classes of shares, the special rights attached to any class, unless otherwise provided by the terms of issue of the shares of that class, may be varied or abrogated with the consent in writing of the holders of the majority of the issued shares of that class, or with the sanction of an ordinary resolution passed at a separate meeting of the holders of shares of that class, but not otherwise. To every such separate meeting all the provisions of our Articles of Association and of the 1991 Law relating to general meetings or to the proceedings thereat shall apply, *mutatis mutandis*, except that the necessary quorum shall be two persons holding or representing at least one-third in nominal amount of the issued shares of that class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those holders who are present in person shall be a quorum.

The special rights conferred upon the holders of any class of shares issued with preferred or other special rights shall be deemed to be varied by the reduction of the capital paid up on such shares and by the creation of further shares ranking in priority thereto, but shall not (unless otherwise expressly provided by our Articles of Association or by the conditions of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking after or *pari passu* therewith. The rights conferred on holders of ordinary shares shall be deemed not to be varied by the creation, issue or redemption of any preferred or preference shares.

Capital Calls

We may, subject to the provisions of our Articles of Association and to any conditions of allotment, from time to time make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) provided that (except as otherwise fixed by the conditions of application or allotment) no call on any share shall be payable within 14 days of the date appointed for payment of the last preceding call, and each member shall (subject to being given at least 14 clear days' notice specifying the time or times and place of payment) pay us at the time or times and place so specified the amount called on his shares.

If a member fails to pay any call or installment of a call on or before the day appointed for payment thereof, we may serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest (at a rate not exceeding 10% per annum to be determined by us) which may have accrued and any expenses which may have been incurred by us by reason of such non-payment. The notice shall name a further day (not earlier than 14 days from the date of service thereof) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares on which the call was made will be liable to be forfeited.

Borrowing Powers

Our Articles of Association contain no restrictions on our power to borrow money or to mortgage or charge all or any part of our undertaking, property and assets.

Issue of Shares and Preemptive Rights

Subject to the provisions of the 1991 Law and to any special rights attached to any shares, we may allot or issue shares with those preferred, deferred or other special rights or restrictions regarding dividends, voting, return of capital or other matters as our directors from time to time determine. We may issue shares that are redeemable or are liable to be redeemed at our option or the option of the holder in accordance with our Articles of Association. Subject to the provisions of the 1991 Law, the unissued shares at the date of adoption of our Articles of Association and shares created thereafter shall be at the disposal of our directors. We cannot issue shares at a discount to par value. Securities, contracts, warrants or other instruments evidencing any preferred shares, option rights, securities having conversion or option rights or obligations may also be issued by the directors without the approval of the shareholders or entered into by us upon a resolution of the directors to that effect on such terms, conditions and other provisions as are fixed by the directors, including, without limitation, conditions that preclude or limit any person owning or offering to acquire a specified number or percentage of shares in us in issue, other shares, option rights, securities having conversion or option rights or obligations of us or the transferee of such person from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights or obligations.



There are no pre-emptive rights for the transfer of our shares either within the 1991 Law or our Articles of Association.

Directors' Powers

Our business shall be managed by the directors who may exercise all of the powers that we are not by the 1991 Law or our Articles of Association required to exercise in a general meeting. Accordingly, the directors may (among other things) borrow money, mortgage or charge all of our property and assets (present and future) and issue securities.

Meetings of the Board of Directors

A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of the directors by giving to each director and alternate director not less than 24 hours' notice of the meeting provided that any meeting may be convened at shorter notice and in such manner as each director or his alternate director shall approve provided further that unless otherwise resolved by the directors notices of directors' meetings need not be in writing.

Subject to our Articles of Association, our Board of Directors may meet for the conducting of business, adjourn and otherwise regulate its proceedings as it sees fit. The quorum necessary for the transaction of business may be determined by the Board of Directors and unless otherwise determined shall be three persons, each being a director or an alternate director of whom two shall not be executive directors. Where more than three directors are present at a meeting, a majority of them must not be executive directors in order for the quorum to be constituted at the meeting. A duly convened meeting of the Board of Directors at which a quorum is present is necessary to exercise all or any of the board's authorities, powers and discretions.

Our Board of Directors may from time to time appoint one or more of their number to be the holder of any executive office on such terms and for such periods as they may determine. The appointment of any director to any executive office shall be subject to termination if he ceases to be a director. Our Board of Directors may entrust to and confer upon a director holding any executive office any of the powers exercisable by the directors, upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Remuneration of Directors

Our directors shall be entitled to receive by way of fees for their services as directors any sum that we may, by ordinary resolution in general meeting from time to time determine. That sum, unless otherwise directed by the ordinary resolution by which it is voted, shall be divided among the directors in the manner that they agree or, failing agreement, equally. The remuneration (if any) of an alternate director shall be payable out of the remuneration payable to the director appointing him as may be agreed between them. The directors shall be repaid their traveling and other expenses properly and necessarily expended by them in attending meetings of the directors or members or otherwise on our affairs.

If any director shall be appointed agent or to perform extra services or to make any special exertions, the directors may remunerate such director therefor either by a fixed sum or by commission or participation in profits or otherwise or partly one way and partly in another as they think fit, and such remuneration may be either in addition to or in substitution for his above mentioned remuneration.

Directors' Interests in Contracts

Subject to the provisions of the 1991 Law, a director may hold any other office or place of profit under us (other than the office of auditor) in conjunction with his office of director and may act in a professional capacity to us on such terms as to tenure of office, remuneration and otherwise as we may determine and, provided that he has disclosed to us the nature and extent of any of his interests which conflict or may conflict to a material extent with our interests at the first meeting of the directors at which a transaction is considered or as soon as practical after that meeting by notice in writing to the secretary or has otherwise previously disclosed that he is to be regarded as interested in a transaction with a specific person, a director notwithstanding his office (1) may be a party to, or otherwise interested in, any transaction or arrangement with us or in which we are otherwise interested, (2) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by us or in which we are otherwise interested, and (3) shall not, by reason of his office, be accountable to us for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.



Restrictions on Directors' Voting

A director, notwithstanding his interest, may be counted in the quorum present at any meeting at which any contract or arrangement in which he is interested is considered and, subject as provided above, he may vote in respect of any such contract or arrangement. A director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he is appointed to hold any office or place of profit under us, or at which the terms of his appointment are arranged, but the director may not vote on his own appointment or the terms thereof or any proposal to select that director for re-election.

Number of Directors

Our board shall determine the maximum and minimum number of directors provided that the minimum number of directors shall be not less than three.

Directors' Appointment, Resignation, Disqualification and Removal

Our board is divided into three classes that are, as nearly as possible, of equal size. Each class of directors (other than initially) is elected for a three-year term of office but the terms are staggered so that the term of only one class of directors expires at each annual general meeting. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of the Board of Directors may have the effect of delaying or preventing changes in control of management of our company. Our Board of Directors shall have power (unless they determine that any vacancy should be filled by us in general meeting) at any time and from time to time to appoint any person to be a director, either to fill any vacancy or as an addition to the existing directors. A vacancy for these purposes only will be deemed to exist if a director dies, resigns, ceases or becomes prohibited or disqualified by law from acting as a director, becomes bankrupt or enters into an arrangement or composition with his creditors, becomes of unsound mind or is removed by us from office for gross negligence or criminal conduct by ordinary resolution. A vacancy for these purposes will not be deemed to exist upon the expiry of the term of office of a director. At any general meeting at which a director retires or at which a director's period of office expires we shall elect, by ordinary resolution of the general meeting, a director to fill the vacancy, unless our directors resolve to reduce the number of directors in office. Where the number of persons validly proposed for election or re-election as a director is greater than the number of directors to be elected, the persons receiving the most votes (up to the number of directors to be elected) shall be elected as directors and an absolute majority of the votes cast shall not be a pre-requisite to the election of such directors.

The directors shall hold office until they resign, they cease to be a director by virtue of a provision of the 1991 Law, they become disqualified by law or the terms of our Articles of Association from being a director, they become bankrupt or make any arrangement or composition with their creditors generally or they become of unsound mind or they are removed from office by us for gross negligence or criminal conduct by ordinary resolution in general meeting.

A director is not required to hold any of our shares.

Capitalization of Profits and Reserves

Subject to our Articles of Association, we may, upon the recommendation of our directors, by ordinary resolution resolve to capitalize any of our undistributed profits (including profits standing to the credit of any reserve account), any sum standing to the credit of any reserve account as a result of the sale or revaluation of an asset (other than goodwill) and any sum standing to the credit of our share premium account or capital redemption reserve.

Any sum which is capitalized shall be appropriated among our shareholders in the proportion in which such sum would have been divisible amongst them had the same been applied in paying dividends and applied in (1) paying up the amount (if any) unpaid on the shares held by the shareholders, or (2) issuing to shareholders, fully paid shares (issued either at par or a premium) or (subject to our Articles of Association) our debentures.



Unclaimed Dividends

Any dividend which has remained unclaimed for a period of ten years from the date of declaration thereof shall, if the directors so resolve, be forfeited and cease to remain owing by us and shall thenceforth belong to us absolutely.

Indemnity, Limitation of Liability and Officers Liability Insurance

Insofar as the 1991 Law allows and, to the fullest extent permitted thereunder, we may indemnify any person who was or is involved in any manner (including, without limitation, as a party or a witness), or is threatened to be made so involved, in any threatened, pending or completed investigation, claim, action, suit or proceeding, whether civil, criminal, administrative or investigative including, without limitation, any proceeding by or in the right of ours to procure a judgment in our favor, but excluding any proceeding brought by such person against us or any affiliate of ours by reason of the fact that he is or was an officer, secretary, servant, employee or agent of ours, or is or was serving at our request as an officer, secretary, servant, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against all expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such proceeding. Such indemnification shall be a contract right and shall include the right to receive payment in advance of any expenses incurred by the indemnified person in connection with such proceeding, provided always that this right is permitted by the 1991 Law.

Subject to the 1991 Law, we may enter into contracts with any officer, secretary, servant, employee or agent of ours and may create a trust fund, grant a security interest, make a loan or other advancement or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in the indemnity provisions in our Articles of Association.

Our directors are empowered to arrange for the purchase and maintenance in our name and at our expense of insurance cover for the benefit of any current or former officer of ours, our secretary and any current or former agent, servant or employee of ours against any liability which is incurred by any such person by reason of the fact that he is or was an officer of ours, our secretary or an agent, servant or employee of ours.

Subject to the 1991 Law, the right of indemnification, loan or advancement of expenses provided in our Articles of Association is not exclusive of any other rights to which a person seeking indemnification may otherwise be entitled, under any statute, memorandum or articles of association, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The provisions of our Articles of Association inure for the benefit of the heirs and legal representatives of any person entitled to indemnity under our Articles of Association and are applicable to proceedings commenced or continuing after the adoption of our Articles of Association whether arising from acts or omissions occurring before or after such adoption.

If any provision or provisions of our Articles of Association relative to indemnity are held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions thereof shall not in any way be affected or impaired; and (ii) to the fullest extent possible, the provisions of our Articles of Association relative to indemnity shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

Nothing in our Articles of Association prohibits us from making loans to officers, our secretary, servants, employees or agents to fund litigation expenses prior to such expenses being incurred.



Distribution of Assets on a Winding-up

Subject to any particular rights or limitations attached to any shares, if we are wound up, our assets available for distribution among our shareholders shall be applied first in repaying to our shareholders the amount paid up (as to both par and any premium) on their shares respectively, and if such assets shall be more than sufficient to repay to our shareholders the whole amount paid up (as to both par and any premium) on their shares, the balance shall be distributed among our shareholders in proportion to the amount which at the time of the commencement of the winding up had been actually paid up (as to both par and any premium) on their shares respectively.

If we are wound up, we may, with the approval of a special resolution and any other sanction required by the 1991 Law, divide the whole or any part of our assets among our shareholders in specie and our liquidator or, where there is no liquidator, our directors, may, for that purpose, value any assets and determine how the division shall be carried out as between our shareholders or different classes of shareholders. Similarly, with the approval of a special resolution and subject to any other sanction required by the 1991 Law, all or any of our assets may be vested in trustees for the benefit of our shareholders.

Other Jersey Law Considerations

Purchase of Own Shares

The 1991 Law provides that we may, with the sanction of a special resolution and subject to certain conditions, purchase any of our shares which are fully paid.

We may fund the purchase of our own shares from any source provided that our directors are satisfied that immediately after the date on which the purchase is made, we will be able to discharge our liabilities as they fall due and that having regard to (i) our prospects and to the intentions of our directors with respect to the management of our business and (ii) the amount and character of the financial resources that will in their view be available to us, we will be able to (a) continue to carry on our business and (b) discharge our liabilities as they fall due until the expiry of the period of 12 months immediately following the date on which the purchase was made or until we are dissolved, whichever occurs first.

We cannot purchase our shares if, as a result of such purchase, only redeemable shares would be in issue. Any shares that we purchase (other than shares that are, immediately after being purchased, held as treasury shares) are treated as cancelled upon purchase.

Mandatory Purchases and Acquisitions

The 1991 Law provides that where a person (which we refer to as the “offeror”) makes an offer to acquire all of the shares (or all of the shares of any class of shares) (other than treasury shares and any shares already held by the offeror and its associates at the date of the offer), if the offeror has by virtue of acceptances of the offer acquired or contracted to acquire not less than 90% in nominal value of the shares (or class of shares) to which the offer relates, the offeror by notice may compulsorily acquire the remaining shares. A holder of any such shares may apply to the Jersey court for an order that the offeror not be entitled to purchase the holder’s shares or that the offeror purchase the holder’s shares on terms different to those of the offer.

Where, prior to the expiry of the offer period, the offeror has by virtue of acceptances of the offer acquired or contracted to acquire not less than 90% in nominal value of all of the shares of the target company (other than treasury shares and any shares already held by the offeror and its associates at the date of the offer), the holder of any shares (or class of shares) to which the offer relates who has not accepted the offer may require the offeror to acquire those shares. In such circumstances, each of the offeror and the holder of the shares are entitled to apply to the Jersey court for an order that the offeror purchase the holder’s shares on terms different to those of the offer.



Compromises and Arrangements

Where a compromise or arrangement is proposed between a company and its creditors, or a class of them, or between the company and its shareholders, or a class of them, the Jersey court may on the application of the company or a creditor or member of it or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the shareholders of the company or class of shareholders (as the case may be), to be called in a manner as the court directs.

If a majority in number representing 3/4ths in value of the creditors or class of creditors, or 3/4ths of the voting rights of shareholders or class of shareholders (as the case may be), present and voting either in person or by proxy at the meeting agree to a compromise or arrangement, the compromise or arrangement, if sanctioned by the court, is binding on all creditors or the class of creditors or on all the shareholders or class of shareholders, and also on the company or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

No Pre-Emptive Rights

Neither our Articles of Association nor the 1991 Law confers any pre-emptive rights on our shareholders.

No Mandatory Offer Requirements

In some countries, the trading and securities legislation contains mandatory offer requirements when shareholders have reached certain share ownership thresholds. There are no mandatory offer requirements under Jersey legislation. The Companies (Takeovers and Mergers Panel) (Jersey) Law 2009 empowers the Minister for Economic Development in Jersey (the "Minister") to appoint a Panel on Takeovers and Mergers (the "Jersey Panel") as the body responsible for regulating takeovers and mergers of companies incorporated in Jersey. The Minister has appointed the UK Panel on Takeovers and Mergers (the "UK Panel") to carry out the functions of the Jersey Panel. The Jersey Panel will be empowered to promulgate rules regulating takeovers and mergers of Jersey companies (the "Jersey Code"). The rules applicable to the regulation of takeovers and mergers promulgated by the UK Panel as set out in The City Code on Takeovers and Mergers (the "UK Code") have been adopted as the Jersey Code. Rule 9 of the UK Code contains rules relative to mandatory offers. However, the UK Code only applies to (i) offers for Jersey companies if any of their securities are admitted to trading on a regulated market in the United Kingdom or any stock exchange in the Channel Islands or the Isle of Man and (ii) to public or certain private Jersey companies which are considered by the Panel to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. As none of our securities are listed on a regulated market in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man and as we are not centrally managed and controlled in the United Kingdom, the Channel Islands or the Isle of Man, it is not anticipated that the UK Code (which has been adopted as the Jersey Code) will apply to us.

In 2012, the UK Panel published consultation paper 'PCP 2012/3: Companies subject to the Takeover Code', which sought views on proposed amendments to the rules for determining the companies that are subject to the UK Code. No changes have yet been made to the UK Code on the basis of that consultation. It is possible that future changes to the rules for determining the companies that are subject to the UK Code, made on the basis of that consultation or otherwise, could result in the UK Code (which has been adopted as the Jersey Code) applying to us.

Non-Jersey Shareholders

There are no limitations imposed by Jersey law or by our Articles of Association on the rights of non-Jersey shareholders to hold or vote on our ordinary shares or securities convertible into our ordinary shares.

Rights of Minority Shareholders

Under Article 141 of the 1991 Law, a shareholder may apply to court for relief on the ground that our affairs are being conducted or have been conducted in a manner which is unfairly prejudicial to the interests of our shareholders generally or of some part of our shareholders (including at least the shareholder making the application) or that an actual or proposed act or omission by us (including an act or omission on our behalf) is or would be so prejudicial. What amounts to unfair prejudice is not defined in the 1991 Law. There may also be common law personal actions available to our shareholders.



Under Article 143 of the 1991 Law (which sets out the types of relief a court may grant in relation to an action brought under Article 141 of the 1991 Law), the court may make an order regulating our affairs, requiring us to refrain from doing or continuing to do an act complained of, authorizing civil proceedings and providing for the purchase of shares by us or by any of our other shareholders.

Jersey Law and our Memorandum and Articles of Association

The content of our Memorandum and Articles of Association reflects the requirements of the 1991 Law. Jersey company law draws very heavily from company law in England and there are various similarities between the 1991 Law and English company law. However, the 1991 Law is considerably more limited in content than English company law and there are some notable differences between English and Jersey company law. There are, for example, no provisions under Jersey law (as there are under English law):

- controlling possible conflicts of interests between us and our directors, such as loans by us or directors, and contracts between us and our directors other than a duty on our directors to disclose an interest in any transaction to be entered into by us or any of our subsidiaries which to a material extent conflicts with our interest;
- specifically requiring particulars to be shown in our accounts of the amount of loans to officers or directors’ emoluments and pensions, although these would probably be required to be shown in our accounts in conformity to the requirement that accounts must be prepared in accordance with generally accepted accounting principles;
- requiring us to file details of charges other than charges of Jersey realty; or
- as regards statutory preemption provisions in relation to further issues of shares.

Comparison of Shareholders’ Rights

We are incorporated under the laws of Jersey, Channel Islands. The following discussion summarizes certain material differences between the rights of holders of our ordinary shares and the rights of holders of the common stock of a typical corporation incorporated under the laws of the State of Delaware which result from differences in governing documents and the laws of Jersey, Channel Islands and Delaware. The rights of holders of our ADSs differ in certain respects from those of holders of our ordinary shares.

This discussion does not purport to be a complete statement of the rights of holders of our ordinary shares under applicable law in Jersey, Channel Islands and our Memorandum and Articles of Association or the rights of holders of the common stock of a typical corporation under applicable Delaware law and a typical certificate of incorporation and bylaws.

Corporate Law Issue

Special Meetings of Shareholders

Delaware Law

Shareholders of a Delaware corporation generally do not have the right to call meetings of shareholders unless that right is granted in the certificate of incorporation or by-laws. However, if a corporation fails to hold its annual meeting within a period of 30 days after the date designated for the annual meeting, or if no date has been designated for a period of 13 months after its last annual meeting, the Delaware Court of Chancery may order a meeting to be held upon the application of a shareholder.

Jersey Law

Under the 1991 Law, directors shall, notwithstanding anything in a Jersey company’s articles of association, call a general meeting on a shareholders’ requisition. A shareholders’ requisition is a requisition of shareholders holding not less than one-tenth of the total voting rights of the shareholders of the company who have the right to vote at the meeting requisitioned. Failure to call an annual general meeting in accordance with the requirements of the 1991 Law is a criminal offense on the part of a Jersey company and its directors. The JFSC may, on the application of any officer, secretary or shareholder call, or direct the calling of, an annual general meeting.



Corporate Law Issue

Interested Director Transactions

Delaware Law

Interested director transactions are not voidable if (i) the material facts as to the interested director’s relationship or interests are disclosed or are known to the Board of Directors and the board in good faith authorizes the transaction by the affirmative vote of a majority of the disinterested directors, (ii) the material facts are disclosed or are known to the shareholders entitled to vote on such transaction and the transaction is specifically approved in good faith by vote of the majority of shares entitled to vote on the matter or (iii) the transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee or the shareholders.

Jersey Law

A director of a Jersey company who has an interest in a transaction entered into or proposed to be entered into by the company or by a subsidiary which conflicts or may conflict with the interests of the company and of which the director is aware, must disclose the interest to the company. Failure to disclose an interest entitles the company or a member to apply to the court for an order setting aside the transaction concerned and directing that the director account to the company for any profit. A transaction is not voidable and a director is not accountable notwithstanding a failure to disclose if the transaction is confirmed by special resolution and the nature and extent of the director’s interest in the transaction are disclosed in reasonable detail in the notice calling the meeting at which the resolution is passed. Without prejudice to its power to order that a director account for any profit, a court shall not set aside a transaction unless it is satisfied that the interests of third parties who have acted in good faith thereunder would not thereby be unfairly prejudiced and the transaction was not reasonable and fair in the interests of the company at the time it was entered into.



Corporate Law Issue
Cumulative Voting

Delaware Law

Delaware law does not require that a Delaware corporation provide for cumulative voting. However, the certificate of incorporation of a Delaware corporation may provide that shareholders of any class or classes or of any series may vote cumulatively either at all elections or at elections under specified circumstances.

Jersey Law

There are no provisions in the 1991 Law relating to cumulative voting.

Approval of Corporate Matters by Written Consent

Unless otherwise specified in a Delaware corporation's certificate of incorporation, action required or permitted to be taken by shareholders at an annual or special meeting may be taken by shareholders without a meeting, without notice and without a vote, if consents in writing setting forth the action, are signed by shareholders with not less than the minimum number of votes that would be necessary to authorize the action at a meeting. All consents must be dated. No consent is effective unless, within 60 days of the earliest dated consent delivered to the corporation, written consents signed by a sufficient number of holders to take action are delivered to the corporation.

Insofar as the memorandum or articles of a Jersey company do not make other provision in that behalf, anything which may be done at a meeting of the company (other than remove an auditor) or at a meeting of any class of its shareholders may be done by a resolution in writing signed by or on behalf of each shareholder who, at the date when the resolution is deemed to be passed, would be entitled to vote on the resolution if it were proposed at a meeting. A resolution shall be deemed to be passed when the instrument, or the last of several instruments, is last signed or on such later date as is specified in the resolution.

Business Combinations

With certain exceptions, a merger, consolidation or sale of all or substantially all the assets of a Delaware corporation must be approved by the Board of Directors and a majority of the outstanding shares entitled to vote thereon.

A sale or disposal of all or substantially all the assets of a Jersey company must be approved by the Board of Directors and, only if the Articles of Association of the company require, by the shareholders in general meeting. A merger involving a Jersey company must be generally documented in a merger agreement which must be approved by special resolution of that company.



Corporate Law Issue

Limitations on Directors Liability

Delaware Law

A Delaware corporation may include in its certificate of incorporation provisions limiting the personal liability of its directors to the corporation or its shareholders for monetary damages for many types of breach of fiduciary duty. However, these provisions may not limit liability for any breach of the director's duty of loyalty, acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, the authorization of unlawful dividends, or unlawful share purchase or redemption, or any transaction from which a director derived an improper personal benefit. Moreover, these provisions would not be likely to bar claims arising under US federal securities laws.

Jersey Law

The 1991 Law does not contain any provisions permitting Jersey companies to limit the liability of directors for breach of fiduciary duty. Any provision, whether contained in the articles of association of, or in a contract with, a Jersey company or otherwise, whereby the company or any of its subsidiaries or any other person, for some benefit conferred or detriment suffered directly or indirectly by the company, agrees to exempt any person from, or indemnify any person against, any liability which by law would otherwise attach to the person by reason of the fact that the person is or was an officer of the company is void (subject to what is said below).

Indemnification of Directors and Officers

A Delaware corporation may indemnify a director or officer of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in defense of an action, suit or proceeding by reason of his or her position if (i) the director or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and (ii) with respect to any criminal action or proceeding, the director or officer had no reasonable cause to believe his or her conduct was unlawful.

The prohibition referred to above does not apply to a provision for exempting a person from or indemnifying the person against (a) any liabilities incurred in defending any proceedings (whether civil or criminal) (i) in which judgment is given in the person's favor or the person is acquitted, (ii) which are discontinued otherwise than for some benefit conferred by the person or on the person's behalf or some detriment suffered by the person, or (iii) which are settled on terms which include such benefit or detriment and, in the opinion of a majority of the directors of the company (excluding any director who conferred such benefit or on whose behalf such benefit was conferred or who suffered such detriment), the person was substantially successful on the merits in the person's resistance to the proceedings, (b) any liability incurred otherwise than to the company if the person acted in good faith with a view to the best interests of the company, (c) any liability incurred in connection with an application made to the court for relief from liability for negligence, default, breach of duty or breach of trust under Article 212 of the 1991 Law in which relief is granted to the person by the court or (d) any liability against which the company normally maintains insurance for persons other than directors.



Corporate Law Issue
Appraisal Rights

Delaware Law

Jersey Law

A shareholder of a Delaware corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights pursuant to which the shareholder may receive cash in the amount of the fair value of the shares held by that shareholder (as determined by a court) in lieu of the consideration the shareholder would otherwise receive in the transaction.

The 1991 Law does not confer upon shareholders any appraisal rights.

Shareholder Suits

Class actions and derivative actions generally are available to the shareholders of a Delaware corporation for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.

Under Article 141 of the 1991 Law, a shareholder may apply to court for relief on the ground that a company's affairs are being conducted or have been conducted in a manner which is unfairly prejudicial to the interests of its shareholders generally or of some part of its shareholders (including at least the shareholder making the application) or that an actual or proposed act or omission by the company (including an act or omission on its behalf) is or would be so prejudicial. There may also be common law personal actions available to shareholders. Under Article 143 of the 1991 Law (which sets out the types of relief a court may grant in relation to an action brought under Article 141 of the 1991 Law), the court may make an order regulating the affairs of a company, requiring a company to refrain from doing or continuing to do an act complained of, authorizing civil proceedings and providing for the purchase of shares by a company or by any of its other shareholders.

Inspection of Books and Records

All shareholders of a Delaware corporation have the right, upon written demand under oath stating the purpose thereof, to inspect or obtain copies of the corporation's shares ledger and its other books and records for any proper purpose.

The register of shareholders and books containing the minutes of general meetings or of meetings of any class of shareholders of a Jersey company must during business hours be open to the inspection of a shareholder of the company without charge. The register of directors and secretaries must during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose, but so that not less than two hours in each business day be allowed for inspection) be open to the inspection of a shareholder or director of the company without charge.



Corporate Law Issue
Amendments to Charter

Delaware Law

Amendments to the certificate of incorporation of a Delaware corporation require the affirmative vote of the holders of a majority of the outstanding shares entitled to vote thereon or such greater vote as is provided for in the certificate of incorporation; a provision in the certificate of incorporation requiring the vote of a greater number or proportion of the directors or of the holders of any class of shares than is required by Delaware corporate law may not be amended, altered or repealed except by such greater vote.

Jersey Law

The memorandum and articles of association of a Jersey company may only be amended by special resolution (being a two-third majority if the articles of association of the company do not specify a greater majority) passed by shareholders in general meeting or by written resolution signed by all the shareholders entitled to vote.

Transfer Agent and Registrar

The transfer agent and registrar for our ADSs is Deutsche Bank Trust Company Americas.

C. Material Contracts

The following is a summary of each contract that is or was material to us during the last two years.

(1) Stock Purchase Agreement dated as of January 10, 2017 by and among WNS North America Inc. and the Sellers, the Optionholders and the Sellers Representative (each as defined therein).

In January 2017, WNS North America Inc. entered into the stock purchase agreement dated as of January 10, 2017 with the Sellers, the Optionholders and the Sellers Representative (each as defined therein). Under the agreement, we acquired all outstanding shares of Denali, a provider of strategic procurement BPM solutions for a purchase consideration of \$39.6 million (including contingent consideration of up to \$6.6 million, dependent on the achievement of revenue targets over a period of three years and deferred consideration of \$0.5 million payable in the first quarter of fiscal 2018), subject to adjustments for cash and working capital. We have funded the acquisition through a three year secured term loan with BNP Paribas, Hong Kong, described in item 5 below.



(2) Stock Purchase Agreement and Plan of Merger dated as of March 15, 2017 by and among WNS Global Services Private Limited, WNS North America Inc., WNS Healthcare North America LLC, HealthHelp Holdings, LLC, MTS HealthHelp Inc., the stockholders of MTS HealthHelp Inc., Cherrill Farnsworth and the Sellers' Representative (as defined therein).

In March 2017, WNS Global Services Private Limited, WNS North America Inc. and WNS Healthcare North America LLC entered into the stock purchase agreement and plan of merger dated as of March 15, 2017 with HealthHelp Holdings, LLC, MTS HealthHelp Inc., the stockholders of MTS HealthHelp Inc., Cherrill Farnsworth and the Sellers' Representative (as defined therein). Under the agreement, we acquired all ownership interests of HealthHelp, which provides benefits management across several specialty healthcare areas, including radiology, cardiology, oncology, sleep care, orthopedics, and pain management, for a total consideration of \$68.3 million, subject to adjustments for cash and working capital, including contingent consideration of up to \$8.9 million, payable over a period of two years and dependent on the achievement of revenue targets and continuation of a specified client contract. We have funded the acquisition primarily with a five year term loan with HSBC Bank (Mauritius) Limited, and Standard Chartered Bank, UK, described in item 6 below.

(3) Share Purchase Agreement dated March 11, 2016 between WNS Global Services Private Limited, the Sellers (as defined therein) and Value Edge Research Services Private Limited and (4) Amendment Agreement dated May 25, 2016 between WNS Global Services Private Limited, the Sellers (as defined therein) and Value Edge Research Services Private Limited.

In March 2016, WNS Global Services Private Limited entered into the share purchase agreement dated March 11, 2016 with the Sellers (as defined therein) and Value Edge Research Services Private Limited. Under the agreement, we acquired all outstanding equity shares of Value Edge, which provides business research and analytics reports and databases across the domains of pharmaceutical, biotech and medical devices. The purchase price payable by us was \$17.5 million (plus adjustments for cash and working capital), including contingent consideration of \$5.1 million, subject to compliance with certain conditions and payable over a period of three years. We funded this acquisition with cash on hand.

(4) Facility Agreement dated January 18, 2017 between WNS North America Inc. and BNP Paribas, Hong Kong.

In January 2017, WNS North America Inc. obtained a term loan facility for \$34.0 million from BNP Paribas, Hong Kong. The proceeds from this loan facility were used to finance our acquisition of Denali. The loan bears interest at a rate equivalent to the three-month US dollar LIBOR plus a margin of 1.27% per annum. WNS North America Inc.'s obligations under the term loan are guaranteed by WNS. The term loan is secured by a pledge of shares of Denali held by WNS North America Inc. and security over substantially all of the assets of WNS North America Inc. The facility agreement for the term loan contains certain covenants, including restrictive covenants relating to our indebtedness and financial covenants relating to our debt service to EBITDA ratio and total borrowings to EBITDA ratio, each as defined in the facility agreement. The loan matures in January 2020 and the principal is repayable in six semi-annual instalments. The first five repayment instalments are \$5.65 million each and the sixth and final repayment instalment is \$5.75 million. The first scheduled repayment date is in July 2017.

(5) Facility Agreement dated March 10, 2017 among WNS (Mauritius) Limited, HSBC Bank (Mauritius) Limited, and Standard Chartered Bank, UK.

In March 2017, WNS (Mauritius) Limited obtained a term loan facility for \$84.0 million from HSBC Bank (Mauritius) Limited and Standard Chartered Bank, UK. The proceeds from this loan facility were used to finance our acquisition of HealthHelp. The loan bears interest at a rate equivalent to the three-month US dollar LIBOR plus a margin of 0.95% per annum. WNS (Mauritius) Limited's obligations under the term loan are guaranteed by WNS. The term loan is secured by a pledge of shares of WNS (Mauritius) Limited held by WNS. The facility agreement for the term loan contains certain covenants, including restrictive covenants relating to our indebtedness and financial covenants relating to our debt service to EBITDA ratio and total borrowings to EBITDA ratio, each as defined in the facility agreement. The loan matures in March 2022 and the principal is repayable in 10 semi-annual instalments of \$8.4 million each. The first scheduled repayment date is in September 2017.

(6) Employment Agreement dated February 1, 2010 between Keshav R. Murugesh and WNS Global Services Private Limited, as amended on February 19, 2017.

Please see "Part I — Item 6. Directors, Senior Management and Employees — B. Compensation — Employment Agreement of our Executive Director."

**D. Exchange Controls**

There are currently no Jersey or United Kingdom foreign exchange control restrictions on the payment of dividends on our ordinary shares or on the conduct of our operations. Jersey is in a monetary union with the United Kingdom. There are currently no limitations under Jersey law or our Articles of Association prohibiting persons who are not residents or nationals of United Kingdom from freely holding, voting or transferring our ordinary shares in the same manner as United Kingdom residents or nationals.

Exchange Rates

Substantially all of our revenue is denominated in pound sterling or US dollars and large part of our expenses, other than payments to repair centers, are incurred and paid in Indian rupees. We report our financial results in US dollars. The exchange rates among the Indian rupee, the pound sterling and the US dollar have changed substantially in recent years and may fluctuate substantially in the future. The results of our operations are affected as the Indian rupee and the pound sterling appreciate or depreciate against the US dollar and, as a result, any such appreciation or depreciation will likely affect the market price of our ADSs in the US.

The following table sets forth, for the periods indicated, information concerning the exchange rates between Indian rupees and US dollars based on the spot rate released by the Federal Reserve Board:

<u>Fiscal year:</u>	<u>Period End(1)</u>	<u>Average(2)</u>	<u>High</u>	<u>Low</u>
2013	₹54.52	₹54.36	₹57.13	₹50.64
2014	60.00	60.35	68.80	53.65
2015	62.31	61.11	63.67	58.30
2016	66.25	65.39	68.84	61.99
2017	64.85	67.01	68.86	64.85
2018 (until June 23, 2017)	64.47	64.46	65.10	64.03

Notes:

- (1) The spot rate at each period end and the average rate for each period may differ from the exchange rates used in the preparation of financial statements included elsewhere in this annual report.
- (2) Represents the average of the daily exchange rates during the period.

The following table sets forth, for the periods indicated, information concerning the exchange rates between Indian rupees and US dollars based on the spot rate released by the Federal Reserve Board:

<u>Month:</u>	<u>High</u>	<u>Low</u>
December 2016	₹68.29	₹67.38
January 2017	68.39	67.48
February 2017	67.40	66.67
March 2017	66.83	64.85
April 2017	65.10	64.08
May 2017	64.87	64.03
June 2017 (until June 23, 2017)	64.60	64.23



The following table sets forth, for the periods indicated, information concerning the exchange rates between the pound sterling and US dollars based on the spot rate released by the Federal Reserve Board:

<u>Fiscal year:</u>	<u>Period End(1)</u>	<u>Average(2)</u>	<u>High</u>	<u>Low</u>
2013	£ 0.66	£ 0.63	£0.67	£0.61
2014	0.60	0.63	0.67	0.60
2015	0.67	0.62	0.68	0.58
2016	0.70	0.66	0.72	0.63
2017	0.80	0.77	0.83	0.68
2018 (until June 23, 2017)	0.79	0.78	0.83	0.77

Notes:

- (1) The spot rate at each period end and the average rate for each period may differ from the exchange rates used in the preparation of financial statements included elsewhere in this annual report.
- (2) Represents the average of the daily exchange rates during the period.

The following table sets forth, for the periods indicated, information concerning the exchange rates between the pound sterling and US dollars based on the spot rate released by the Federal Reserve Board:

<u>Month:</u>	<u>High</u>	<u>Low</u>
December 2016	£0.82	£0.79
January 2017	0.83	0.79
February 2017	0.80	0.79
March 2017	0.82	0.79
April 2017	0.81	0.77
May 2017	0.83	0.77
June 2017 (until June 23, 2017)	0.79	0.77



E. Taxation

Jersey Tax Consequences

General

Jersey tax considerations

The following summary of the anticipated treatment of the company and holders of ordinary shares (other than residents of Jersey) is based on Jersey taxation law and practice as it is understood to apply at the date of this annual report. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice. Holders of our ordinary shares (or ADSs) should consult their professional advisers on the implications of acquiring, buying, holding, selling or otherwise disposing of ordinary shares (or ADSs) under the laws of the jurisdictions in which they may be liable to taxation. Shareholders (and holders of ADSs) should be aware that tax laws, rules and practice and their interpretation may change.

Taxation of the company

Jersey taxation legislation provides that the general basic rate of income tax on the profits of companies regarded as resident in Jersey or having a permanent establishment in Jersey will be 0% and that only a limited number of financial services companies shall be subject to income tax at a rate of 10%.

Under the Income Tax (Jersey) Law 1961, we are regarded as tax resident in Jersey but, not being a financial services company nor a specified utility company for the purposes of Jersey taxation legislation, are subject to the general basic rate of income tax on profits of 0%.

If the company derives any income from the ownership, disposal or exploitation of land in Jersey or the importation into Jersey or supplying in Jersey of hydrocarbon oil, such income will be subject to Jersey income tax at the rate of 20%. It is not expected that the company will derive any such income.

A 5% goods and services tax is generally paid in Jersey on the sale or exchange of goods and services in Jersey. All businesses with a 12-month taxable turnover in excess of £300,000 must, by Jersey law, register for this tax unless they are an international services entity ("ISE"). For so long as the company is an ISE within the meaning of the Goods and Services (Jersey) Law 2007, having satisfied the requirements of the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008, as amended, a supply of goods or services made by or to the company shall not be a taxable supply for the purposes of Jersey law.

Taxation of holders of ordinary shares and ADSs

The company will be entitled to pay dividends to holders of ordinary shares and ADSs without any withholding or deduction for, or on account of, Jersey tax. The holders of ordinary shares and ADSs (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such ordinary shares or ADSs.

Foreign Account Tax Compliance Act ("FATCA")

FATCA was enacted by the United States Congress in March 2010 and came into effect in 2014 (albeit with staggered implementation dates). FATCA requires Financial Institutions ("FIs") to use enhanced due diligence procedures to identify US persons who have invested in either non-US financial accounts or non-US entities. Pursuant to FATCA, certain payments of (or attributable to) US-source income, and the proceeds of sales of property that give rise to US-source payments made to the company, would be subject to 30% withholding tax unless the company agrees to adopt certain reporting and withholding requirements. Although we will use reasonable efforts to avoid the imposition of such withholding tax, no assurance can be given that we will be able to do so.

On December 13, 2013 the Chief Minister of Jersey signed the US-Jersey Intergovernmental Agreement ("IGA"), which imposes certain due diligence and reporting requirements on Jersey FIs. Where applicable information regarding shareholders, their ultimate beneficial owners and/or controlling persons, and their investment in and returns from the company, may need to be reported to the local States of Jersey tax authority. As Jersey has implemented FATCA under a Model 1 IGA, no withholding tax, such as that outlined under the US Regulations applies.

Following the US implementation of FATCA, the UK introduced their own information reporting regime with certain Crown Dependencies and Overseas Territories such as Jersey. On October 22, 2013 the Chief Minister of Jersey signed the UK-Jersey IGA. The application of this UK FATCA regime is similar to US FATCA except that it imposes disclosure requirements in respect of certain shareholders who are, or are entities that are controlled by one or more, residents of the UK.



Both the US and UK FATCA IGAs are implemented through Jersey’s domestic legislation, in accordance with guidance notes which are published in draft form and updated on a regular basis. The first reporting deadline under the US FATCA IGA was June 30, 2015 and that under the UK FATCA IGA was June 30, 2016. Reporting is due annually thereafter with UK FATCA merging fully into Common Reporting Standard (“CRS”) over the coming years.



Common Reporting Standard (CRS)

On February 13, 2014, the Organisation for Economic Co-operation and Development (“OECD”) released the CRS. This global standard for the automatic exchange of financial account information was modelled largely on the US FATCA regime but with some notable differences. On October 29, 2014, fifty-one jurisdictions signed the Multilateral Agreement that activates this automatic exchange of FATCA-like information in line with the CRS. There are now in excess of 90 jurisdictions signed up for implementation. Pursuant to the Multilateral Agreement, certain disclosure requirements may be imposed in respect of certain shareholders who are, or are entities that are controlled by one or more, residents of any of the signatory jurisdictions. It is expected that, where applicable, information that would need to be disclosed will include certain information about shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the company. Both Jersey and the UK have signed up to the Multilateral Agreement. To date the US has shown no intent to participate in the regime. Implementation for early adopters (including Jersey) began on January 1, 2016, with jurisdictions pledging to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018.

Jersey has released domestic CRS regulations as well as CRS guidance notes which are again in draft form. The first reporting under CRS in Jersey will be required by June 30, 2017.

Stamp duty

No stamp duty is payable in Jersey on the issue or inter vivos transfer of ordinary shares or ADSs.

Upon the death of a holder of ordinary shares or ADSs, a grant of probate or letters of administration will be required to transfer ordinary shares or ADSs of the deceased person to the extent that the ordinary shares or ADSs are considered moveable estate situated in Jersey, except that, where the deceased person was domiciled outside of Jersey at the time of death, the company may (at its discretion) dispense with this requirement where the value of the deceased’s movable estate in Jersey does not exceed £10,000.

Upon the death of a holder of ordinary shares or ADSs (and to the extent that the ordinary shares or ADSs are considered movable estate situated in Jersey), Jersey probate stamp duty will be payable on the registration in Jersey of a grant of probate or letters of administration, which will be required in order to transfer or otherwise deal with:

- (A) (where the deceased person was domiciled in Jersey at the time of death) the deceased person’s personal estate wherever situated (including any ordinary shares or ADSs to the extent that the ordinary shares or ADSs are considered movable estate situated in Jersey) if the net value of such personal estate exceeds £10,000; or
- (B) (if the deceased person was domiciled outside of Jersey at the time of death) the deceased person’s personal estate situated in Jersey (including any ordinary shares or ADSs to the extent that the ordinary shares or ADSs are considered movable estate situated in Jersey) if the net value of such personal estate exceeds £10,000.

The rate of probate stamp duty payable is:

- (A) (where the net value of the deceased person’s relevant personal estate does not exceed £100,000) 0.5% of the net value of the deceased person’s relevant personal estate;
- (B) (where the net value of the deceased person’s relevant personal estate exceeds £100,000) £500 for the first £100,000 plus 0.75% of the net value of the deceased person’s relevant personal estate which exceeds £100,000; or
- (C) (where the net value of the deceased person’s relevant personal estate exceeds £13,360,000) the sum of £100,000.

In addition, application and other fees may be payable. Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts, nor are there any other estate duties

US Federal Income Taxation

The following discussion describes certain material US federal income tax consequences to US Holders (defined below) under present law of an investment in the ADSs or ordinary shares. This summary applies only to US Holders that hold the ADSs or ordinary shares as capital assets and that have the US dollar as their functional currency. This discussion is based on the tax laws of the US as in effect on the date of this annual report and on US Treasury regulations in effect or, in some cases, proposed, as of the date of this annual report, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.



The following discussion does not address the Medicare contribution tax on net investment income or the tax consequences to any particular investor or to persons in special tax situations, such as:

- banks;
- certain financial institutions;
- insurance companies;
- broker dealers;
- traders that elect to mark-to-market;
- tax-exempt entities;
- persons liable for alternative minimum tax;
- real estate investment trusts;
- regulated investment companies;
- US expatriates;
- persons holding ADSs or ordinary shares as part of a straddle, hedging, conversion or integrated transaction;
- entities treated as partnerships or other pass-through entities, or persons holding ADSs or ordinary shares through such entities; or
- persons that actually or constructively own 10% or more of our voting share; or
- persons who acquired ADSs or ordinary shares pursuant to the exercise of any employee share option or otherwise as compensation.

US HOLDERS OF OUR ADSs OR ORDINARY SHARES ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE US FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE AND LOCAL AND NON-US TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR ADSs OR ORDINARY SHARES.

The discussion below of the US federal income tax consequences to “US Holders” will apply to you if you are a beneficial owner of ADSs or ordinary shares and you are, for US federal income tax purposes:

- an individual who is a citizen or resident of the US;
- a corporation (or other entity taxable as a corporation) organized under the laws of the United States, any State thereof or the District of Columbia;
- an estate whose income is subject to US federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more US persons for all substantial decisions of the trust or (2) has a valid election in effect under applicable US Treasury regulations to be treated as a US person.

If you are a partner in an entity treated as a partnership that holds ADSs or ordinary shares, your tax treatment will depend on your status and the activities of such entity.



The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. If you hold ADSs, you should be treated as the holder of the underlying ordinary shares represented by those ADSs for US federal income tax purposes. The US Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying security (for example, pre-releasing ADSs to persons that do not have the beneficial ownership of the securities underlying the ADSs). Accordingly, the creditability of any foreign taxes paid and the availability of the reduced tax rate for any dividends received by certain non-corporate US Holders, including individuals US Holders (as discussed below), could be affected by actions taken by intermediaries in the chain of ownership between the holders of ADSs and us if as a result of such actions the holders of ADSs are not properly treated as beneficial owners of the underlying ordinary shares.

Distributions

Subject to the rules applicable to PFICs, discussed below, the gross amount of distributions made by us with respect to the ADSs or ordinary shares (including the amount of any taxes withheld therefrom) will be includable in your gross income in the year received (or deemed received) as dividend income to the extent that such distributions are paid out of our current or accumulated earnings and profits as determined under US federal income tax principles. To the extent the amount of the distribution exceeds our current and accumulated earnings and profits (as determined under US federal income tax principles), such excess amount will be treated first as a tax-free return of your tax basis in your ADSs or ordinary shares, and then, to the extent such excess amount exceeds your tax basis in your ADSs or ordinary shares, as capital gain. We do not intend to calculate our earnings and profits under US federal income tax principles. Therefore, a US Holder should expect that a distribution will be treated as a dividend. No dividends received deduction will be allowed for US federal income tax purposes with respect to dividends paid by us.

With respect to non-corporate US Holders, including individual US Holders, under current law dividends may be “qualified dividend income” that is taxed at the lower applicable capital gains rate provided that (1) we are neither a PFIC nor treated as such with respect to you (as discussed below) for either our taxable year in which the dividend is paid or the preceding taxable year, (2) certain holding period requirements are met, and (3) the ADSs or ordinary shares, as applicable, are readily tradable on an established securities market in the US. Under US Internal Revenue Service (“IRS”) authority, common shares, or ADSs representing such shares, are considered to be readily tradable on an established securities market in the US if they are listed on the NYSE, as our ADSs are. However, based on existing guidance, it is not entirely clear whether any dividends you receive with respect to the ordinary shares will be taxed as qualified dividend income, because the ordinary shares are not themselves listed on US exchange. You should consult your tax advisors regarding the availability of the lower rate for dividends paid with respect to ADSs or ordinary shares, including the effects of any change in law after the date of this annual report.

The amount of any distribution paid in a currency other than the US dollar (a foreign currency) will be equal to the US dollar value of such foreign currency on the date such distribution is received by the depository, in the case of ADSs, or by you, in the case of ordinary shares, regardless of whether the payment is in fact converted into US dollars at that time. Gain or loss, if any, realized on the sale or other disposition of such foreign currency will be US source ordinary income or loss, subject to certain exceptions and limitations. If such foreign currency is converted into US dollars on the date of receipt, a US Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

Subject to certain exceptions, for foreign tax credit purposes, dividends distributed by us with respect to ADSs or ordinary shares generally will constitute foreign source income. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to the ADSs or ordinary shares will generally constitute “passive category income.” To the extent the dividends would be taxable as qualified dividend income with respect to non-corporate US Holders, including individual US Holders (subject to the discussion above), the amount of the dividends taken into account for purposes of calculating the foreign tax credit limitation will in general be limited to the gross amount of the dividend, multiplied by the reduced tax rate applicable to qualified dividend income and divided by the highest tax rate normally applicable to dividends. You are urged to consult your tax advisors regarding the foreign tax credit limitation and source of income rules with respect to distributions on the ADSs or ordinary shares.



Sale or Other Disposition of ADSs or Ordinary Shares

Subject to the PFIC rules discussed below, upon a sale or other taxable disposition of ADSs or ordinary shares, you generally will recognize a capital gain or loss for US federal income tax purposes in an amount equal to the difference between the US dollar value of the amount realized and your tax basis in such ADSs or ordinary shares. If the consideration you receive for the ADSs or ordinary shares is not paid in US dollars, the amount realized will be the US dollar value of the payment received determined by reference to the spot rate of exchange on the date of the sale or other disposition. However, if the ADSs or ordinary shares, as applicable, are treated as traded on an “established securities market” and you are either a cash basis taxpayer or an accrual basis taxpayer that has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), you will determine the US dollar value of the amount realized in a foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. Your initial tax basis in your ADSs or ordinary shares will equal the US dollar value of the cost of such ADSs or ordinary shares, as applicable. If you use foreign currency to purchase ADSs or ordinary shares, the cost of such ADSs or ordinary shares will be the US dollar value of the foreign currency purchase price determined by reference to the spot rate of exchange on the date of purchase. However, if the ADSs or ordinary shares, as applicable, are treated as traded on an established securities market and you are either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, you will determine the US dollar value of the cost of such ADSs or ordinary shares, as applicable, by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Subject to certain exceptions and limitations, capital gain or loss on a sale or other taxable disposition of ADSs or ordinary shares generally will be US source gain or loss and treated as long-term capital gain or loss, if your holding period in the ADSs or ordinary shares exceeds one year. Subject to the PFIC rules discussed below and other limitations, if you are a non-corporate US Holder, including an individual US Holder, any long-term capital gain will be subject to US federal income tax at preferential rates. The deductibility of capital losses is subject to significant limitations.

Passive Foreign Investment Company

A non-US corporation is considered a PFIC for any taxable year if either:

- at least 75% of its gross income for such year is passive income, or
- at least 50% of its value of assets (determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income.

We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

Based on our financial statements and relevant market and shareholder data, we believe that we should not be treated as a PFIC with respect to our most recently closed taxable year. If we were treated as a PFIC for any year during which you held ADSs or ordinary shares, we will continue to be treated as a PFIC for all succeeding years during which you hold ADS or ordinary shares, absent a special election as discussed below. The application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you we will not be a PFIC for any taxable year.

If we are a PFIC for any taxable year during which you hold ADSs or ordinary shares, you will be subject to special tax rules with respect to any “excess distribution” you receive and any gain you recognize from a sale or other disposition (including a pledge) of the ADSs or ordinary shares, unless you make a “mark-to-market” or qualified electing fund (“QEF”) election (if available) as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the ADSs or ordinary shares will be treated as an excess distribution.



Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the ADSs or ordinary shares,
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we became a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and the interest charge normally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the ADSs or ordinary shares cannot be treated as capital, even if you hold the ADSs or ordinary shares as capital assets.

In addition, if we are a PFIC, to the extent any of our subsidiaries are also PFICs, you may be deemed to own shares in such subsidiaries that are directly or indirectly owned by us in that proportion which the value of the shares you own so bears to the value of all of our shares, and may be subject to the adverse tax consequences described above with respect to the shares of such subsidiaries you would be deemed to own.

If we are a PFIC, you may avoid taxation under the rules described above by making a QEF election to include your share of our income on a current basis in any taxable year that we are a PFIC, provided we agree to furnish you annually with certain tax information. However, we do not presently intend to prepare or provide such information.

Alternatively, if the ADSs are “marketable stock” (as defined below), you can avoid taxation under the unfavorable PFIC rules described above in respect of the ADSs by making a mark-to-market election in respect of the ADSs by the due date (determined with regard to extensions) for your tax return in respect of your first taxable year during which we are treated as a PFIC. If you make a mark-to-market election for the ADSs or ordinary shares, you will include in income in each of your taxable years during which we are a PFIC an amount equal to the excess, if any, of the fair market value of the ADSs or ordinary shares as of the close of your taxable year over your adjusted basis in such ADSs or ordinary shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the ADSs or ordinary shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the ADSs or ordinary shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ADSs or ordinary shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the ADSs or ordinary shares, as well as to any loss realized on the actual sale or disposition of the ADSs or ordinary shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such ADSs or ordinary shares. Your basis in the ADSs or ordinary shares will be adjusted to reflect any such income or loss amounts. Further, distributions would be taxed as described above under “— Distributions,” except the preferential dividend rates with respect to “qualified dividend income” would not apply. You will not be required to recognize mark-to-market gain or loss in respect of your taxable years during which we were not at any time a PFIC.

The mark-to-market election is available only for “marketable stock,” which is stock that is traded in other than *de minimis* quantities on at least 15 days during each calendar quarter on a qualified exchange, including the NYSE, or other market, as defined in the applicable US Treasury regulations. Our ADSs are listed on the NYSE and consequently, if you hold ADSs the mark-to-market election would be available to you, provided the ADSs are traded in sufficient quantities. US Holders of ADSs or ordinary shares should consult their tax advisors as to whether the ADSs or ordinary shares would qualify for the mark-to-market election.

You also generally can make a “deemed sale” election in respect of any time we cease being a PFIC, in which case you will be deemed to have sold, at fair market value, your ADSs or ordinary shares (and shares of our PFIC subsidiaries, if any, that you are deemed to own) on the last day of our taxable year immediately prior to our taxable year in respect of which we are not a PFIC. If you make this deemed sale election, you generally would be subject to the unfavorable PFIC rules described above in respect of any gain realized on such deemed sale, but as long as we are not a PFIC for future years, you would not be subject to the PFIC rules for those future years.

If you hold ADSs or ordinary shares in any year in which we or any of our subsidiaries are a PFIC, you would be required to file an annual information report with the US Internal Revenue Service, for each entity that is a PFIC, regarding distributions received on the ADSs or ordinary shares and any gain realized on the disposition of the ADSs or ordinary shares. You should consult your tax advisors regarding the potential application of the PFIC rules to your ownership of ADSs or ordinary shares and the elections discussed above.



US Information Reporting and Backup Withholding

Dividend payments with respect to ADSs or ordinary shares and proceeds from the sale, exchange or redemption of ADSs or ordinary shares may be subject to information reporting to the IRS and possible US backup withholding. Backup withholding will not apply, however, to a US Holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from backup withholding and establishes such exempt status. US Holders should consult their tax advisors regarding the application of the US information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your US federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing any required information.

Additional Reporting Requirements

US individuals that own “specified foreign financial assets” with an aggregate value in excess of certain amounts are generally required to file an information report with respect to such assets with their tax returns. “Specified foreign financial assets” include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-US persons, (ii) financial instruments and contracts held for investment that have non-US issuers or counterparties, and (iii) interests in foreign entities. Under certain circumstances, an entity may be treated as an individual for purposes of these rules. Our ADSs or ordinary shares may be subject to these rules. US Holders should consult their tax advisors regarding the application of this requirement to their ownership of our shares.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

Publicly filed documents concerning our company which are referred to in this annual report may be inspected and copied at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549. Copies of these materials can also be obtained from the Public Reference Room at the Commission’s principal office, 100 F Street, N.E., Washington D.C. 20549, after payment of fees at prescribed rates.

The Commission maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that make electronic filings through its Electronic Data Gathering, Analysis, and Retrieval (“EDGAR”) system. We have made all our filings with the Commission using the EDGAR system.

I. Subsidiary Information

For more information on our subsidiaries, please see “Part I—Item 4. Information on the Company — C. Organizational Structure.”



ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

A. General

Market risk is attributable to all market sensitive financial instruments including foreign currency receivables and payables. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments.

Our exposure to market risk is primarily a function of our revenue generating activities and any future borrowings in foreign currency. The objective of market risk management is to avoid excessive exposure of our earnings to losses. Most of our exposure to market risk arises from our revenue and expenses that are denominated in different currencies.

The following risk management discussion and the estimated amounts generated from analytical techniques are forward-looking statements of market risk assuming certain market conditions. Our actual results in the future may differ materially from these projected results due to actual developments in the global financial markets.

B. Risk Management Procedures

We manage market risk through our treasury operations. Our senior management and our Board of Directors approve our treasury operations' objectives and policies. The activities of our treasury operations include management of cash resources, implementation of hedging strategies for foreign currency exposures, implementation of borrowing strategies and monitoring compliance with market risk limits and policies. Our Foreign Exchange Committee, comprising the Chairman of the Board, our Group Chief Executive Officer and our Group Chief Financial Officer, is the approving authority for all our hedging transactions.

Components of Market Risk

Exchange Rate Risk

Our exposure to market risk arises principally from exchange rate risk. Although substantially all of our revenue less repair payments (non-GAAP) is denominated in pound sterling and US dollars, approximately 51.1% of our expenses (net of payments to repair centers made as part of our WNS Auto Claims BPM segment) in fiscal 2017 were incurred and paid in Indian rupees. The exchange rates between each of the pound sterling, the Indian rupee, the Australian dollar, the South African rand and the Philippines peso, on the one hand, and the US dollar, on the other hand, have changed substantially in recent years and may fluctuate substantially in the future. See "Part I — Item 5 Operating and Financial Review Prospects — Foreign Exchange — Exchange Rates."

Our exchange rate risk primarily arises from our foreign currency-denominated receivables. Based upon our level of operations for fiscal 2017, a sensitivity analysis shows that a 10% appreciation or depreciation in the pound sterling against the US dollar would have increased or decreased revenue by approximately \$22.9 million and increased or decreased revenue less repair payments (non-GAAP) by approximately \$20.5 million for fiscal 2017, a 10% appreciation or depreciation in the Australian dollar against the US dollar would have increased or decreased revenue and revenue less repair payments (non-GAAP) by approximately \$4.3 million for fiscal 2017, and a 10% appreciation or depreciation in the South African rand against the US dollar would have increased or decreased revenue and revenue less repair payments (non-GAAP) by approximately \$4.1 million for fiscal 2017. Similarly, a 10% appreciation or depreciation in the Indian rupee against the US dollar would have increased or decreased our expenses incurred and paid in Indian rupee for fiscal 2017 by approximately \$25.4 million, a 10% appreciation or depreciation in the South African rand against the US dollar would have increased or decreased our expenses incurred and paid in South African rand for fiscal 2017 by approximately \$6.0 million and a 10% appreciation or depreciation in the Philippines peso against the US dollar would have increased or decreased our expenses incurred and paid in Philippines peso for fiscal 2017 by approximately \$4.9 million.

To protect against foreign exchange gains or losses on forecasted revenue and inter-company revenue, we have instituted a foreign currency cash flow hedging program. We hedge a part of our forecasted revenue and inter-company revenue denominated in foreign currencies with forward contracts and options.

Interest Rate Risk

Our exposure to interest rate risk arises from our borrowings which have a floating rate of interest, which is linked to the US dollar LIBOR. We manage this risk by maintaining an appropriate mix between fixed and floating rate borrowings and through the use of interest rate swap contracts. The costs of floating rate borrowings may be affected by the fluctuations in the interest rates. In connection with the term loan facilities entered into in fiscal 2017, we entered into interest rate swap agreements with the banks in fiscal 2017. These swap agreements effectively convert the term loans from a variable US dollar LIBOR interest rate to a fixed rate, thereby managing our exposure to changes in market interest rates under the term loans. The outstanding swap agreements as at March 31, 2017 aggregated to \$118,000.



We monitor our positions and do not anticipate non-performance by the counterparties. We intend to selectively use interest rate swaps, options and other derivative instruments to manage our exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a periodic basis. We do not enter into hedging agreements for speculative purposes.



ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Our ADR facility is maintained with Deutsche Bank Trust Company Americas, (the “Depositary”), pursuant to a Deposit Agreement, dated as at July 18, 2006, among us, our Depositary and the holders and beneficial owners of ADSs. We use the term “holder” in this discussion to refer to the person in whose name an ADR is registered on the books of the Depositary.

In accordance with the Deposit Agreement, the Depositary may charge fees up to the amounts described below:

	<u>Type of Service</u>	<u>Fees</u>
1.	Issuance of ADSs, including upon the deposit of ordinary shares or to any person to whom an ADS distribution is made pursuant to share dividends or other free distributions of shares, bonus distributions, share splits or other distributions (except where converted to cash)	\$5.00 per 100 ADSs (or any portion thereof)
2.	Surrender of ADSs for cancellation and withdrawal of ordinary shares underlying such ADSs (including cash distributions made pursuant to a cancellation or withdrawal)	\$5.00 per 100 ADSs (or any portion thereof)
3.	Distribution of cash proceeds, including cash dividends or sale of rights and other entitlements, not made pursuant to a cancellation or withdrawal	\$2.00 per 100 ADSs (or any portion thereof)
4.	Issuance of ADSs upon the exercise of rights	\$5.00 per 100 ADSs (or any portion thereof)
5.	Operations and maintenance costs in administering the ADSs (provided that the total fees assessed under this item, combined with the total fees assessed under item 3 above, should not exceed \$0.02 per ADS in any calendar year)	\$0.02 per ADS per calendar year

In addition, holders or beneficial owners of our ADS, persons depositing ordinary shares for deposit and persons surrendering ADSs for cancellation and withdrawal of deposited securities will be required to pay the following charges:

- taxes (including applicable interest and penalties) and other governmental charges;
- registration fees for the registration of ordinary shares or other deposited securities with applicable registrar and applicable to transfers of ordinary shares or other deposited securities in connection with the deposit or withdrawal of ordinary shares or other deposited securities;
- certain cable, telex, facsimile and electronic transmission and delivery expenses;
- expenses and charges incurred by the Depositary in the conversion of foreign currency into US dollars;
- fees and expenses incurred by the Depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, deposited securities, ADSs and ADRs;
- fees and expenses incurred by the Depositary in connection with the delivery of deposited securities; and
- any additional fees, charges, costs or expenses that may be incurred by the Depositary from time to time.



In the case of cash distributions, the applicable fees, charges, expenses and taxes will be deducted from the cash being distributed. In the case of distributions other than cash, such as share dividends, the distribution generally will be subject to appropriate adjustments for the deduction of the applicable fees, charges, expenses and taxes. In certain circumstances, the Depositary may dispose of all or a portion of such distribution and distribute the net proceeds of such sale to the holders of ADS, after deduction of applicable fees, charges, expenses and taxes.

If the Depositary determines that any distribution in property is subject to any tax or other governmental charge which the Depositary is obligated to withhold, the Depositary may withhold the amount required to be withheld and may dispose of all or a portion of such property in such amounts and in such manner as the Depositary deems necessary and appropriate to pay such taxes or charges and the Depositary will distribute the net proceeds of any such sale after deduction of such taxes or charges to the holders of ADSs entitled to the distribution.

During fiscal 2011, the Depositary has made a payment of \$5,500 to IPREO (Hemscott Holdings Limited) on behalf of our company in consideration for our access to the Bigdough investor relations tool.



PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, management has evaluated, with the participation of our Group Chief Executive Officer and Group Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this annual report. Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our Group Chief Executive Officer and Group Chief Financial Officer, as appropriate to allow timely decisions regarding our required disclosure.

Based on the foregoing, our Group Chief Executive Officer and Group Chief Financial Officer have concluded that, as at March 31, 2017, our disclosure controls and procedures were effective and provide a reasonable level of assurance.

Management’s Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting.

Internal control over financial reporting refers to a process designed by, or under the supervision of, our Group Chief Executive Officer and Group Chief Financial Officer and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and members of our Board of Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Management recognizes that there are inherent limitations in the effectiveness of any system of internal control over financial reporting, including the possibility of human error and the circumvention or override of internal control. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation, and may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of internal control over financial reporting as at March 31, 2017, based on the criteria established in the 2013 *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The scope of management’s assessment of the effectiveness of internal control over financial reporting includes all of WNS’ consolidated operations except for the acquired operations of Value Edge Research Services Private Limited and its subsidiaries, Denali Sourcing Services Inc., and MTS HealthHelp Inc. and its subsidiaries (collectively, the “Acquired Operations”), which were acquired in June 2016, January 2017 and March 2017 respectively and whose financial statements collectively reflected total assets and revenues constituting 3.9% and 1.9%, respectively, of the related consolidated financial statements amounts as at and for the year ended March 31, 2017.



Based on the above criteria, and as a result of this assessment, management concluded that, as at March 31, 2017, our internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.



The effectiveness of our internal control over financial reporting as at March 31, 2017, has been audited by Grant Thornton India LLP, an independent registered public accounting firm, as stated in their report set out below.



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders of
WNS (Holdings) Limited

We have audited the internal control over financial reporting of WNS (Holdings) Limited and subsidiaries (the “Company”) as of March 31, 2017, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. Our audit of, and opinion on, the Company’s internal control over financial reporting does not include the internal control over financial reporting of Value Edge Research Services Private Limited and its subsidiaries, Denali Sourcing Services Inc., and MTS HealthHelp Inc. and its subsidiaries (collectively, the “Acquired Operations”), whose financial statements reflect total assets and revenues constituting 3.9 and 1.9 percent, respectively, of the related consolidated financial statement amounts as of and for the year ended March 31, 2017. As indicated in Management’s Report, the Acquired Operations were acquired during the year ended March 31, 2017. Management’s assertion on the effectiveness of the Company’s internal control over financial reporting excluded internal control over financial reporting of the Acquired Operations.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2017, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of the Company as of and for the year ended March 31, 2017, and our report dated June 29, 2017 expressed an unqualified opinion on those financial statements.

/s/ GRANT THORNTON INDIA LLP

Mumbai, India
June 29, 2017



Changes in Internal Control over Financial Reporting

Management has evaluated, with the participation of our Group Chief Executive Officer and Group Chief Financial Officer, whether any changes in our internal control over financial reporting that occurred during the period covered by this annual report on Form 20-F have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on the evaluation we conducted, management has concluded that no such changes have occurred.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Audit Committee members are Messrs. Albert Aboody (Chairman), John Freeland and Michael Menezes, and Ms. Francoise Gri. Each of Messrs. Aboody, Freeland and Menezes and Ms. Gri is an independent director pursuant to the applicable rules of the Commission and the NYSE. See “Part I — Item 6. Directors, Senior Management and Employees — A. Directors and Executive Officers” for the experience and qualifications of the members of the Audit Committee. Our Board of Directors has determined that Messrs. Aboody and Menezes each qualifies as an “audit committee financial expert” as defined in Item 16A of Form 20-F.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Business Ethics and Conduct that is applicable to all of our directors, senior management and employees. The Code of Business Ethics and Conduct was amended in October 2016 to refresh our core purposes and values. We have posted the code on our website at www.wns.com. **Information contained in our website does not constitute a part of this annual report.** We will also make available a copy of the Code of Business Ethics and Conduct to any person, without charge, if a written request is made to our General Counsel at our principal executive offices at Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli (W), Mumbai 400 079, India.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Principal Accountant Fees and Services

Grant Thornton India LLP has served as our independent public accountant for the fiscal year ended March 31, 2017. The following table shows the fees we paid or accrued for audit and other services provided by Grant Thornton India LLP and Grant Thornton member firms for the years ended March 31, 2017 and March 31, 2016.

	Fiscal	
	2017	2016
Audit fees	\$559,780	\$527,500
Audit-related fees	119,700	28,959
Tax fees	32,000	32,000

Notes:

Audit fees: This category consists of fees billed for the audit of financial statements, quarterly review of financial statements and other audit services, which are normally provided by the independent auditors in connection with statutory and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements and include the group audit; statutory audits required by non-US jurisdictions; consents and attest services.

Audit-related fees: This category consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements or that are traditionally performed by an external auditor, and includes service tax certifications and out of pocket expenses.

Tax fees: This category includes fees billed for tax audits.

Audit Committee Pre-approval Process

Our Audit Committee reviews and pre-approves the scope and the cost of all audit and permissible non-audit services performed by our independent auditor. All of the services provided by Grant Thornton India LLP and Grant Thornton member firms during the last fiscal year have been pre-approved by our Audit Committee.



ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

In March 2016, our shareholders authorized a share repurchase program for the repurchase of up to 3.3 million of our ADSs, each representing one ordinary share, at a price range of \$10 to \$50 per ADS. Pursuant to the terms of the repurchase program, our ADSs may be purchased in the open market from time to time for 36 months from March 16, 2016, the date the shareholders resolution approving the repurchase program was passed. Purchases of ADSs under the repurchase program during fiscal 2017 (as set out in the table below) were funded with cash on hand. We intend to fund further purchases of ADSs under the repurchase program with cash on hand. We are not obligated under the repurchase program to repurchase a specific number of ADSs, and the repurchase program may be suspended at any time at our discretion. We intend to hold the shares underlying any such repurchased ADSs as treasury shares.

The table below sets forth the details of ADSs repurchased during fiscal 2017 under the above mentioned share repurchase program:

Period	No. of ADSs purchased	Average price paid per ADS (in \$) *	Total number of ADSs purchased as part of publicly announced plans or programs	Approximate U.S dollar value (in 000s) of ADSs that may yet be repurchased under the program (assuming purchase price of \$50 per ADS)
April 1 to April 30, 2016	—	—	—	\$ 165,000
May 1 to May 31, 2016	39,732	30.39	39,732	163,013
June 1 to June 30, 2016	710,268	30.49	710,268	127,500
July 1 to July 31, 2016	—	—	—	127,500
August 1 to August 31, 2016	395,444	29.43	395,444	107,728
September 1 to September 30, 2016	—	—	—	107,728
October 1 to October 31, 2016	898,366	28.09	898,366	62,810
November 1 to November 30, 2016	156,190	27.47	156,190	55,000
December 1 to December 31, 2016	—	—	—	55,000
January 1 to January 31, 2017	—	—	—	55,000
February 1 to February 28, 2017	—	—	—	55,000
March 1 to March 31, 2017	—	—	—	55,000
Total	2,200,000	29.10	2,200,000	\$ 55,000

* excludes transaction costs

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

We have posted our Corporate Governance Guidelines on our website at www.wns.com. **Information contained in our website does not constitute a part of this annual report.**

Messrs. Adrian T. Dillon and Gareth Williams and Mrs. Renu S. Karnad are members of our Board of Directors and they serve on each of our Compensation Committee and Nominating and Corporate Governance Committee. Messrs. Albert Aboody, Michael Menezes and John Freeland and Ms. Francoise Gri serve on our Audit Committee. Each of Messrs. Dillon, Freeland, Menezes, Williams and Aboody, Ms. Gri and Mrs. Karnad satisfies the “independence” requirements of the NYSE listing standards and the “independence” requirements of Rule 10A-3 of the Exchange Act.



On May 31, 2016, our Third Amended and Restated 2006 Incentive Award Plan expired pursuant to its terms. On June 1, 2016, June 14, 2016 and July 13, 2016, we issued an aggregate 44,284 restricted share units to certain of our employees and directors pursuant to an exemption from registration under the United States federal securities laws. We did not seek shareholder approval for these issuances as they are not required under the laws of Jersey.

Except as disclosed in the preceding paragraph, we are not aware of any significant differences between our corporate governance practices and those required to be followed by US issuers under the NYSE listing standards.

As a foreign private issuer, we are exempt from the rules under the Exchange Act governing the furnishing and content of proxy statements, including disclosure relating to any conflicts of interests concerning the issuer's compensation consultants, and our directors, senior management and principal shareholders are exempt from the reporting and "short-swing profit" recovery provisions contained in Section 16 of the Exchange Act.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.



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PART III

ITEM 17. FINANCIAL STATEMENTS

See “Part III — Item 18. Financial Statements” for a list of our consolidated financial statements included elsewhere in this annual report.

ITEM 18. FINANCIAL STATEMENTS

The following statements are filed as part of this annual report, together with the report of the independent registered public accounting firm:

- Report of Independent Registered Public Accounting Firm
- Consolidated Statements of Financial Position as at March 31, 2017 and 2016
- Consolidated Statements of Income for the years ended March 31, 2017, 2016 and 2015
- Consolidated Statements of Comprehensive Income for the years ended March 31, 2017, 2016 and 2015
- Consolidated Statements of Changes in Equity for the years ended March 31, 2017, 2016 and 2015
- Consolidated Statements of Cash Flows for the years ended March 31, 2017, 2016 and 2015
- Notes to Consolidated Financial Statements

**ITEM 19. EXHIBITS**

The following exhibits are filed as part of this annual report:

- 1.1 Memorandum of Association of WNS (Holdings) Limited, as amended — incorporated by reference to Exhibit 3.1 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 1.2 Articles of Association of WNS (Holdings) Limited, as amended — incorporated by reference to Exhibit 3.2 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 2.1 Form of Deposit Agreement among WNS (Holdings) Limited, Deutsche Bank Trust Company Americas, as Depositary, and the holders and beneficial owners of American Depositary Shares evidenced by American Depositary Receipts, or ADR, issued thereunder (including the Form of ADR) — incorporated by reference to Exhibit 4.1 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 2.2 Specimen Ordinary Share Certificate of WNS (Holdings) Limited — incorporated by reference to Exhibit 4.4 of the Registration Statement on Form 8-A (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on July 14, 2006.
- 4.1 Form of the Third Amended and Restated WNS (Holdings) Limited 2006 Incentive Award Plan — incorporated by reference to Appendix A to WNS (Holdings) Limited's Proxy Statement which was furnished as Exhibit 99.3 of its Report on Form 6-K (File No. 001-32945), as furnished to the Commission on August 23, 2013.
- 4.2 Form of the WNS (Holdings) Limited 2016 Incentive Award Plan — incorporated by reference to Appendix A to WNS (Holdings) Limited's Proxy Statement which was furnished as Exhibit 99.3 of its Report on Form 6-K (File No. 001-32945), as furnished to the Commission on September 1, 2016.
- 4.3 Lease Deed dated January 20, 2012 between Sri Divi Satya Mohan, Sri Attaluri Praveen and Sri Divi Satya Sayee Babu, on the one hand, and WNS Global Services Private Limited, on the other hand, with respect to lease of office premises — incorporated by reference to Exhibit 4.8 of the Annual Report on Form 20-F for fiscal 2012 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on April 26, 2012.
- 4.4 Addendum to Lease Deed dated July 23, 2012 between Sri Divi Satya Mohan, Sri Attaluri Praveen and Sri Divi Satya Sayee Babu, on the one hand, and WNS Global Services Private Limited and WNS Business Consulting Services Private Limited, on the other hand. — incorporated by reference to Exhibit 4.5 of the Annual Report on Form 20-F for fiscal 2013 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on May 2, 2013.
- 4.5 Contract of Lease dated September 27, 2012 between Megaworld Corporation and WNS Global Services Philippines, Inc. with respect to lease of office premises — incorporated by reference to Exhibit 4.6 of the Annual Report on Form 20-F for fiscal 2013 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on May 2, 2013.
- 4.6 Lease Deed commencing April 28, 2014 between WNS Global Services Private Limited and DLF Assets Private Limited with respect to the lease of office premises on the 10th floor of Blocks A2 and A3 at World Tech Park — incorporated by reference to Exhibit 4.12 of the Annual Report on Form 20-F for fiscal 2015 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on May 5, 2015.
- 4.7 Lease Deed commencing April 28, 2014 between WNS Global Services Private Limited and DLF Assets Private Limited with respect to the lease of office premises on the 8th, 9th and 11th floors of Blocks A2 and A3 at World Tech Park — incorporated by reference to Exhibit 4.13 of the Annual Report on Form 20-F for fiscal 2015 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on May 5, 2015.
- 4.8 Lease Deed commencing April 1, 2016 between WNS Global Services Private Limited and DLF Assets Private Limited with respect to the lease of office premises on the 10th floor of Block 10 at DLF IT Park incorporated by reference to Exhibit 4.8 of the Annual Report on Form 20-F for fiscal 2016 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on May 12, 2016.
- 4.9 Leave and License Agreement dated March 8, 2016 between Godrej and Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to the lease of the office premises with an aggregate area of 84,429 square feet at plant 10 — incorporated by reference to Exhibit 4.9 of the Annual Report on Form 20-F for fiscal 2016 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on May 12, 2016.
- 4.10 Leave and License Agreement dated March 8, 2016 between Godrej and Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to the lease of the office premises with an aggregate area of 108,000 square feet at plant 5—incorporated by reference to Exhibit 4.10 of the Annual Report on Form 20-F for fiscal 2016 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on May 12, 2016.



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WNS HOLDINGS LIMITED

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- 4.11 Leave and License Agreement dated March 8, 2016 between Godrej and Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to the lease of the office premises with an aggregate area of 84,934 square feet at plant 11 incorporated by reference to Exhibit 4.11 of the Annual Report on Form 20-F for fiscal 2016 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on May 12, 2016.
- 4.12 Stock Purchase Agreement dated as of January 10, 2017 by and among WNS North America Inc., the Sellers, the Optionholders and the Sellers Representative (each as defined therein).**
- 4.13 Stock Purchase Agreement and Plan of Merger dated as of March 15, 2017 by and among WNS Global Services Private Limited, WNS North America Inc., WNS Healthcare North America LLC, HealthHelp Holdings, LLC, MTS HealthHelp Inc., the stockholders of MTS HealthHelp Inc., Cherrill Farnsworth and the Sellers' Representative (as defined therein).** #
- 4.14 Facility Agreement dated January 18, 2017 between WNS North America Inc. and BNP Paribas, Hong Kong.**
- 4.15 Facility Agreement dated March 10, 2017 among WNS (Mauritius) Limited, HSBC Bank (Mauritius) Limited, and Standard Chartered Bank, UK.**
- 8.1 List of subsidiaries of WNS (Holdings) Limited.**
- 12.1 Certification by the Chief Executive Officer to 17 CFR 240, 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.**
- 12.2 Certification by the Chief Financial Officer to 17 CFR 240, 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.**
- 13.1 Certification by the Chief Executive Officer to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
- 13.2 Certification by the Chief Financial Officer to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
- 15.1 Consent of Grant Thornton India LLP, independent registered public accounting firm.**

** Filed herewith.

Certain portions of this exhibit have been omitted pursuant to a confidential treatment order of the Commission. The omitted portions have been separately filed with the Commission.



SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: June 29, 2017

WNS (HOLDINGS) LIMITED

By: /s/ Keshav R. Murugesh
Name: Keshav R. Murugesh
Title: Group Chief Executive Officer



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders of
WNS (Holdings) Limited

We have audited the accompanying consolidated statements of financial position of WNS (Holdings) Limited and subsidiaries (the “Company”) as of March 31, 2017 and 2016, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended March 31, 2017. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WNS (Holdings) Limited and subsidiaries as of March 31, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2017, in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of March 31, 2017, based on criteria established in the 2013 *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated June 29, 2017 expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/ GRANT THORNTON INDIA LLP

Mumbai, India
June 29, 2017



WNS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in thousands, except share and per share data)

	Notes	As at	
		March 31, 2017	March 31, 2016
ASSETS			
Current assets:			
Cash and cash equivalents	5	\$ 69,803	\$ 41,854
Investments	6	111,992	132,989
Trade receivables, net	7	60,423	54,911
Unbilled revenue		48,915	44,318
Funds held for clients		9,135	11,895
Derivative assets	13	35,401	13,890
Prepayments and other current assets	8	27,385	22,601
Total current assets		363,054	322,458
Non-current assets:			
Goodwill	9	134,008	76,242
Intangible assets	10	96,624	27,117
Property and equipment	11	54,796	50,417
Derivative assets	13	6,581	4,847
Deferred tax assets	23	16,687	22,522
Investments	6	429	—
Other non-current assets	8	31,944	21,848
Total non-current assets		341,069	202,993
TOTAL ASSETS		\$ 704,123	\$ 525,451
LIABILITIES AND EQUITY			
Current liabilities:			
Trade payables		\$ 14,239	\$ 19,862
Provisions and accrued expenses	15	27,217	24,741
Derivative liabilities	13	3,947	3,259
Pension and other employee obligations	14	52,933	44,814
Current portion of long term debt	12	27,613	—
Deferred revenue	16	5,478	2,924
Current taxes payable		1,322	1,746
Other liabilities	17	16,015	5,985
Total current liabilities		148,764	103,331
Non-current liabilities:			
Derivative liabilities	13	836	451
Pension and other employee obligations	14	10,680	6,899
Long term debt	12	89,130	—
Deferred revenue	16	378	256
Other non-current liabilities	17	18,469	4,536
Deferred tax liabilities	23	20,800	1,789
Total non-current liabilities		140,293	13,931
TOTAL LIABILITIES		\$ 289,057	\$ 117,262
Shareholders' equity:			
Share capital (ordinary shares \$0.16 (10 pence) par value, authorized 60,000,000 shares; issued: 53,312,559 shares and 52,406,304 shares each as at March 31, 2017 and March 31, 2016, respectively)	18	8,333	8,211
Share premium		338,284	306,874
Retained earnings		277,988	240,225
Other components of equity		(114,854)	(116,660)
Total shareholder's equity, including shares held in treasury		509,751	438,650
Less: 3,300,000 shares as at March 31, 2017 and 1,100,000 shares as at March 31, 2016, held in treasury, at cost	18	(94,685)	(30,461)
Total shareholders' equity		415,066	408,189



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TOTAL LIABILITIES AND EQUITY					\$ 704,123	\$ 525,451

See accompanying notes.



WNS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands, except share and per share data)

	Notes	Year ended March 31,		
		2017	2016	2015
Revenue		\$602,546	\$562,179	\$533,893
Cost of revenue	19	403,324	365,360	342,715
Gross profit		199,222	196,819	191,178
Operating expenses:				
Selling and marketing expenses	19	32,631	30,844	31,073
General and administrative expenses	19	91,742	78,902	70,013
Foreign exchange gain, net		(14,514)	(10,969)	(4,551)
Impairment of goodwill	9	21,673	—	—
Amortization of intangible assets	10	20,539	25,198	24,192
Operating profit		47,151	72,844	70,451
Other income, net	21	(8,689)	(8,494)	(11,912)
Finance expense	20	547	278	1,332
Profit before income taxes		55,293	81,060	81,031
Provision for income taxes	23	17,530	21,180	22,417
Profit		\$ 37,763	\$ 59,880	\$ 58,614
Earnings per share of ordinary share	24			
Basic		\$ 0.75	\$ 1.17	\$ 1.14
Diluted		\$ 0.71	\$ 1.12	\$ 1.10

See accompanying notes.



WNS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Amounts in thousands, except share and per share data)

	Notes	Year ended March 31,		
		2017	2016	2015
Profit		\$ 37,763	\$ 59,880	\$ 58,614
Other comprehensive income/(loss), net of taxes				
Items that will not be reclassified to profit or loss:				
Pension adjustment		(1,804)	(130)	(380)
Items that will be reclassified subsequently to profit or loss:				
Changes in fair value of cash flow hedges:				
Current period gain		43,118	446	33,176
Reclassification to profit/(loss)		(24,777)	(14,222)	(7,745)
Foreign currency translation		(7,810)	(20,828)	(21,588)
Income tax (provision)/benefit relating to above	23	(6,921)	4,259	(8,242)
		<u>\$ 3,610</u>	<u>\$(30,345)</u>	<u>\$ (4,399)</u>
Total other comprehensive income/(loss), net of taxes		<u>\$ 1,806</u>	<u>\$(30,475)</u>	<u>\$ (4,779)</u>
Total comprehensive income		<u>\$ 39,569</u>	<u>\$ 29,405</u>	<u>\$ 53,835</u>

See accompanying notes.



WNS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in thousands, except share and per share data)

	Share capital		Share premium	Retained Earnings	Other components of equity			Total shareholders' equity
	Number	Par value			Foreign currency translation reserve	Cash flow hedging reserve	Pension adjustments	
Balance as at April 1, 2014	51,347,538	\$ 8,044	\$276,601	\$121,731	\$ (81,941)	\$ (1,744)	\$ 2,279	\$ 324,970
Shares issued for exercised options and RSUs (Refer note 22)	603,124	97	437	—	—	—	—	534
Share-based compensation expense (Refer note 22)	—	—	9,499	—	—	—	—	9,499
Excess tax benefits from exercise of share-based options and RSUs (Refer note 23)	—	—	268	—	—	—	—	268
Transactions with owners	603,124	97	10,204	—	—	—	—	10,301
Profit	—	—	—	58,614	—	—	—	58,614
Other comprehensive income/ (loss), net of taxes	—	—	—	—	(21,588)	17,189	(380)	(4,779)
Total comprehensive income for the year	—	—	—	58,614	(21,588)	17,189	(380)	53,835
Balance as at March 31, 2015	51,950,662	\$ 8,141	\$286,805	\$180,345	\$(103,529)	\$ 15,445	\$ 1,899	\$ 389,106

See accompanying notes.



Excess tax benefits relating to share-based options and RSUs (Refer note 23)	—	—	(445)	—	—	—	—	—	—	(445)
Transactions with owners	906,255	122	31,410	—	—	—	—	2,200,000	(64,224)	(32,692)
Profit	—	—	—	37,763	—	—	—	—	—	37,763
Other comprehensive income/(loss), net of taxes	—	—	—	—	(7,810)	11,420	(1,804)	—	—	1,806
Total comprehensive income/(loss) for the year	—	—	—	37,763	(7,810)	11,420	(1,804)	—	—	39,569
Balance as at March 31, 2017	<u>53,312,559</u>	<u>8,333</u>	<u>\$338,284</u>	<u>\$277,988</u>	<u>\$(132,167)</u>	<u>17,348</u>	<u>\$ (35)</u>	<u>3,300,000</u>	<u>(94,685)</u>	<u>\$ 415,066</u>

See accompanying notes.



WNS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Amounts in thousands)

	Notes	Year ended March 31,		
		2017	2016	2015
Cash flows from operating activities:				
Profit		\$ 37,763	\$ 59,880	\$ 58,614
Adjustments to reconcile profit to net cash generated from operating activities:				
Depreciation and amortization		37,442	40,633	38,579
Impairment of goodwill	9	21,673	—	—
Share-based compensation expense		23,036	17,919	9,499
Amortization of debt issue cost		52	13	81
Allowance for doubtful accounts		(1,040)	(774)	731
Unrealized exchange loss/(gain), net		(11,123)	3,997	(1,665)
Current tax expense		25,785	19,615	16,914
Interest expense		495	265	1,251
Interest income		(2,083)	(1,197)	(389)
Dividend income		(4,131)	(5,039)	(4,396)
Unrealized gain on investments		(6)	(41)	(4,553)
Income from funds held in escrow		(280)	—	—
Loss/ (gain) on sale of property and equipment		143	(100)	(587)
Deferred income taxes		(8,255)	1,565	5,503
Deferred rent		1,136	631	349
Excess tax benefit from share-based compensation expense		(270)	(229)	(99)
Unrealized gain on derivative instruments		(1,930)	(1,219)	(3,148)
Others, net		23	98	55
Changes in operating assets and liabilities:				
Trade receivables and unbilled revenue		(1,630)	(5,725)	(7,874)
Other assets		(2,137)	(9,162)	1,144
Trade payables		(4,203)	(2,290)	(3,671)
Deferred revenue		2,303	(1,050)	(2,577)
Other liabilities		6,914	6,532	11,336
Cash generated from operating activities before interest and income taxes:				
		119,677	124,322	115,097
Income taxes paid		(29,462)	(22,472)	(18,685)
Interest paid		(84)	(215)	(1,328)
Interest received		2,004	1,232	454
Net cash provided by operating activities		92,135	102,867	95,538
Cash flows from investing activities:				
Acquisition of HealthHelp, net of cash acquired	4(a)	(56,674)	—	—
Repayment of long-term debt of HealthHelp	4(a)	(29,249)	—	—
Acquisition of Denali, net of cash acquired	4(b)	(31,886)	—	—
Acquisition of Value Edge, net of cash acquired	4(c)	(12,720)	—	—
Restricted cash, held in escrow	4(c)	(5,112)	—	—
Proceeds from restricted cash, held in escrow		280	—	—
Acquisition of iSoftStone assets and the related workforce		—	—	(328)
Purchase of property and equipment and intangible assets		(22,867)	(27,455)	(22,968)
Payment for Telkom business combination, net of cash acquired	4(d)	—	(2,572)	—
Investment in mutual funds		(462)	—	—
Marketable securities (purchased)/sold, net		32,413	(29,616)	(78,429)
Proceeds from sale of property and equipment		443	329	606
Investment in fixed deposits		(24,672)	(14,791)	(9,644)
Proceeds from maturity of fixed deposits		15,112	8,828	—
Dividends received		4,127	5,040	4,392
Proceeds from sale of fixed maturity plans (“FMPs”)		—	30,115	66,126
Net cash used in investing activities		(131,267)	(30,122)	(40,245)
Cash flows from financing activities:				
Buyback of shares		(64,224)	(30,461)	—



Proceeds from exercise of stock options		8,941	1,303	534
Proceeds from long term debt	12	118,000	—	—
Payment of debt issuance cost		(953)	—	—
Repayment of long term debt		—	(13,163)	(12,007)
Proceeds from / (repayments of) short term borrowings, net		(475)	(13,058)	(43,521)
Excess tax benefit from share-based compensation expense		270	229	99
Net cash provided by/(used in) financing activities		61,559	(55,150)	(54,895)
Exchange difference on cash and cash equivalents		5,522	(8,189)	(1,641)
Net change in cash and cash equivalents		27,949	9,406	(1,243)
Cash and cash equivalents at the beginning of the year		41,854	32,448	33,691
Cash and cash equivalents at the end of the year		\$ 69,803	\$ 41,854	\$ 32,448

Non-cash transactions:

Investing activities

(i) Liability towards property and equipment and intangible assets purchased on credit		\$ 4,292	\$ 4,528	\$ 2,431
(ii) Contingent consideration payable towards acquisitions	17	19,678	—	—
(iii) Liability towards deferred consideration.	4(b)	522	—	—

Financing activities

(i) Short term line of credit of Denali Sourcing Services Inc.	4(b)	475	—	—
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See accompanying notes.



WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

1. Company overview

WNS (Holdings) Limited (“WNS Holdings”), along with its subsidiaries (collectively, “the Company”), is a global business process management (“BPM”) company with client service offices in Australia, Dubai (United Arab Emirates), London (UK), New Jersey (US), Switzerland, Germany and Singapore and delivery centers in the People’s Republic of China (“China”), Costa Rica, India, the Philippines, Poland, Romania, Republic of South Africa (“South Africa”), Sri Lanka, Turkey, the United Kingdom (“UK”) and the United States (“US”). The Company’s clients are primarily in the insurance; travel and leisure; diversified businesses including manufacturing, retail, consumer packaged goods (“CPG”), media and entertainment and telecommunications; utilities; consulting and professional services; banking and financial services; healthcare; and shipping and logistics industries. During the year ended March 31, 2017, the company completed certain acquisitions (refer note 4).

In the Auto Claims BPM segment (as defined in Note 26), effective July 1, 2015, WNS Legal Assistance LLP, a subsidiary of WNS Assistance Limited received an approval from Solicitors Regulatory Authority, UK to provide legal services in relation to personal injury claims.

WNS Holdings is incorporated in Jersey, Channel Islands and maintains a registered office in Jersey at 22, Grenville Street, St Helier, Jersey JE4 8PX.

These consolidated financial statements were approved by the Board of Directors and authorized for issue on June 29, 2017.

2. Summary of significant accounting policies

a. Basis of preparation

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board.

These consolidated financial statements correspond to the classification provisions contained in IAS 1(*revised*), “*Presentation of Financial Statements*.”

Accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

b. Basis of measurement

These consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant IFRS:-

- a. Derivative financial instruments;
- b. Share-based payment transactions;
- c. Marketable securities and investments in mutual funds;
- d. Investments in fixed maturity plans (FMPs); and
- e. Contingent consideration.

c. Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the consolidated financial statements is included in the following notes:



WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

i. Revenue recognition

For certain agreements, the Company has retroactive discounts related to meeting agreed volumes. In such situations, the Company records revenue at the discounted rate, although the Company initially bills at the higher rate, unless the Company can determine that the agreed volumes will not be met, based on historic experience.

The Company provides automobile claims handling services, wherein the Company enters into contracts with its clients to process all their claims over the contract period and the fees are determined either on a per claim basis or as a fixed payment for the contract period. Where the contracts are on a per claim basis, the Company invoices the client at the inception of the claim process. The Company estimates the processing period for the claims and recognizes revenue over the estimated processing period. This processing period generally ranges between one to two months. The processing time may be greater for new clients and the estimated service period is adjusted accordingly. The processing period is estimated based on historical experience and other relevant factors, if any.

ii. Allowance for doubtful accounts

The allowance for doubtful accounts is evaluated on a regular basis and adjusted based upon management's best estimate of probable losses inherent in accounts receivable. In estimating probable losses, the Company reviews accounts that are past due, non-performing or in bankruptcy. The Company determines an estimated loss for specific accounts and estimates an additional amount for the remainder of receivables based on historical trends and other factors. Adverse economic conditions or other factors that might cause deterioration of the financial health of customers could change the timing and levels of payments received and necessitate a change in estimated losses.

iii. Current income taxes

The major tax jurisdictions for the Company are India, UK and US, though the Company also files tax returns in other foreign jurisdictions. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

iv. Deferred income taxes

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Company's latest approved budget forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

v. Impairment

An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets within the next financial year. The calculation of impairment loss involves significant estimates and assumptions which includes revenue and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.



WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

vi. Valuation of derivative financial instruments

Management uses valuation techniques in measuring the fair value of derivative financial instruments, where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

vii. Accounting for defined benefit plans

In accounting for pension and post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

viii. Share-based compensation expense

The share-based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

ix. Business combinations

Business combinations are accounted for using the acquisition method under the provisions of IFRS 3 (Revised), "*Business Combinations*".

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred at the date of acquisition. The cost of the acquisition also includes the fair value of any contingent consideration. Identifiable tangible and intangible assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets.

d. Basis of consolidation

The Company consolidates entities over which it has control. Control exists when the Company has existing rights that give the Company the current ability to direct the activities which affect the entity's returns; the Company is exposed to or has rights to returns which may vary depending on the entity's performance; and the Company has the ability to use its power to affect its own returns from its involvement with the entity. Subsidiaries are consolidated from the date control commences until the date control ceases.

i. Business combinations

Business combinations are accounted for using the acquisition method under the provisions of IFRS 3 (Revised), "*Business Combinations*".

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred at the date of acquisition. The consideration of the acquisition also includes the fair value of any contingent consideration. Identifiable tangible and intangible assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets.



Transaction costs that the Company incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.



WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

ii. Transactions eliminated on consolidation

All significant intra-company balances, transactions, income and expenses including unrealized income or expenses are eliminated on consolidation.

e. Functional and presentation currency

The financial statements of each of the Company's subsidiaries are presented using the currency of the primary economic environment in which these entities operate (i.e. the functional currency). The consolidated financial statements are presented in US dollars (USD) which is the presentation currency of the Company and has been rounded off to the nearest thousands.

f. Foreign currency transactions and translation

i. Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of income. Gains/losses relating to translation or settlement of trading activities are disclosed under foreign exchange gains/losses and translation or settlements of financing activities are disclosed under finance expenses. In the case of foreign exchange gains/losses on borrowings that are considered as a natural economic hedge for the foreign currency monetary assets, such foreign exchange gains/losses, net are presented within results from operating activities.

ii. Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations that have local functional currency are translated into US dollars using exchange rates prevailing at the reporting date. Income and expense are translated at the monthly average exchange rate for the respective period. Exchange differences arising, if any, are recorded in equity as part of the Company's other comprehensive income. Such exchange differences are recognized in the consolidated statement of income in the period in which such foreign operations are disposed. Goodwill and fair value adjustments arising on the acquisition of foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

Foreign currency differences arising from intercompany receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely to occur in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in foreign currency translation reserve.

g. Financial instruments — initial recognition and subsequent measurement

Financial instruments are classified in the following categories:

- Non-derivative financial assets comprising loans and receivables, at fair value through profit or loss ("FVTPL") or available-for-sale.
- Non-derivative financial liabilities comprising long term and short term borrowings and trade and other payables under the amortized cost category.
- Derivative financial instruments under the category of financial assets or financial liabilities at FVTPL.

The classification of financial instruments depends on the purpose for which those were acquired. Management determines the classification of the Company's financial instruments at initial recognition.

i. Non-derivative financial assets

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as



non-current assets. Loans and receivables are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method, less any impairment loss or provisions for doubtful accounts. Loans and receivables are represented by trade receivables, net of allowances for impairment, unbilled revenue, cash and cash equivalents, funds held for clients, investment in fixed deposits and other assets.



WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

b) Financial assets designated as FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading if acquired principally for the purpose of selling in the short term or that meet certain conditions and are designated at FVTPL upon initial recognition. Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss. Assets in this category are measured at fair value with changes therein recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or are not classified in any of the other categories. Available-for-sale financial assets are recognized initially at fair value plus transactions costs. Subsequent to initial recognition, these are measured at fair value and changes therein, other than impairment losses, are recognized directly in other comprehensive income. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the consolidated statement of income. These are presented as current assets unless management intends to dispose of the assets after 12 months from the reporting date.

ii. Non-derivative financial liabilities

All financial liabilities are recognized initially at fair value, except in the case of loans and borrowings which are recognized at fair value net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings.

Trade and other payables maturing later than 12 months after the reporting date are presented as non-current liabilities.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statement of income when the liabilities are derecognized as well as through the effective interest rate method amortization process.

iii. Derivative financial instruments and hedge accounting

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency. The Company limits the effect of foreign exchange rate fluctuation by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counter party is a bank. The Company holds derivative financial instruments such as foreign exchange forward, option contracts and interest rate swaps to hedge certain foreign currency and interest rate exposures.

Cash flow hedges

The Company recognizes derivative instruments as either assets or liabilities in the statement of financial position at fair value. Derivative instruments qualify for hedge accounting when the instrument is designated as a hedge; the hedged item is specifically identifiable and exposes the Company to risk; and it is expected that a change in fair value of the derivative instrument and an opposite change in the fair value of the hedged item will have a high degree of correlation.

For derivative instruments where hedge accounting is applied, the Company records the effective portion of derivative instruments that are designated as cash flow hedges in other comprehensive income (loss) in the statement of comprehensive income, which is reclassified into earnings in the same period during which the hedged item affects earnings. The remaining gain or loss on the derivative instrument in excess of the cumulative change in the present value of future cash flows of the hedged item, if any (i.e., the ineffective portion) or hedge components excluded from the assessment of effectiveness, and changes in fair value of other derivative instruments not designated as qualifying hedges is recorded as gains/losses, net in the consolidated statement of income. Gains/losses on cash flow hedges on intercompany forecasted revenue transactions are recorded in foreign exchange gains/losses and cash flow hedge on interest rate swaps are recorded in finance expense. Cash flows from the derivative instruments are classified within cash flows from operating activities in the statement of cash flows.



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iv. Offsetting of financial instruments

Financial assets and financial liabilities are offset against each other and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

v. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation models. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, credit risk, foreign exchange rates, and forward and spot prices for currencies.

vi. Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

a) Loans and receivables

Impairment loss in respect of loans and receivables measured at amortized cost are calculated as the difference between their carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Such impairment loss is recognized in the consolidated statement of income.

b) Available-for-sale financial assets

Significant or prolonged decline in the fair value of the security below its cost and the disappearance of an active trading market for the security are objective evidence that the security is impaired. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. The cumulative loss that was recognized in equity is transferred to the consolidated statement of income upon impairment.

h. Equity and share capital

i. Share capital and share premium

The Company has only one class of equity shares. Par value of the equity share is recorded as the share capital and the amount received in excess of par value is classified as share premium. The credit corresponding to the share-based compensation expense and excess tax benefit related to the exercise of share options is recorded in share premium.

ii. Retained earnings

Retained earnings comprise the Company's undistributed earnings after taxes.

iii. Other components of equity

Other components of equity consist of the following:

Cash flow hedging reserve

Changes in fair value of derivative hedging instruments designated and effective as a cash flow hedge are recognized net of taxes.



WNS (HOLDINGS) LIMITED
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Foreign currency translation reserve

Foreign currency translation consists of (i) the exchange difference arising from the translation of the financial statements of foreign subsidiaries and (ii) foreign currency differences arising from intercompany receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely to occur in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in foreign currency translation reserve.

Pension adjustments

This reserve represents cumulative actuarial gain and losses recognized, net of taxes on defined benefits plans.

i. Cash and cash equivalents

The Company considers all highly liquid investments with an initial maturity of up to three months to be cash equivalents. Cash equivalents are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

j. Investments

i. Marketable securities and mutual funds

The Company's marketable securities represent liquid investments and are acquired principally for the purpose of earning daily dividend income. All additions and redemptions of such investments are recognized on the trade date. Investments are initially measured at cost, which is the fair value of the consideration paid, including transaction costs. Marketable securities classified under the Available-for-sale category of financial instruments are recorded at fair value, with changes in fair value, if any recognized in the other comprehensive income. Dividend income earned on these investments is recorded in the consolidated statement of income.

Investments in mutual funds represent investments in mutual fund schemes wherein the mutual fund issuer has invested these funds in enterprise development funds. These investments are carried at fair value, with changes in fair value recognized in other comprehensive income. The fair value represents the original cost of the investment and the investment's fair value at each reporting period. Investments in mutual funds have been designated as available for sale.

ii. Investments in fixed maturity plans

The Company's investments in fixed maturity plans ("FMPs") represent investments in mutual fund schemes wherein the mutual fund issuer has invested these funds in certificate of deposits with banks in India. The investments in FMPs are designated as fair value through profit or loss and change in fair value is recognized in the consolidated statement of income. The fair value represents original cost of an investment and the investment's fair value at each reporting period or net asset value ("NAV") as quoted.

The Company manages FMPs on a fair value basis in accordance with the entity's documented risk management, investment strategy and information provided to the key managerial personnel. The returns on the investment are measured based on the fair value movement rather than looking at the overall returns on the maturity. The Company's investment purchase and sale decisions are also based on the fair value fluctuations rather than a predetermined policy to hold the investment till maturity. Key management personnel believe that recording these investments through the consolidated statement of income would provide more relevant information to measure the performance of the investment.

iii. Investments in fixed deposits

Investments in fixed deposits consist of term deposits with original maturities of more than three months with banks. These are designated as Loans and Receivables.

k. Funds held for clients

Some of the Company's agreements in the auto claims handling services allow the Company to temporarily hold funds on behalf of the client. The funds are segregated from the Company's funds and there is usually a short period of time between when the Company receives these funds from the client and when the payments are made on their behalf.



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I. Property and equipment

Property and equipment are stated at historical cost. Cost includes expenditures directly attributable to the acquisition of the asset. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, which are as follows:

<u>Asset description</u>	<u>Asset life (in years)</u>
Buildings	20
Computers and software	3-4
Furniture, fixtures and office equipment	2-5
Vehicles	3
Leasehold improvements	Lesser of estimated useful life or lease term



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Assets acquired under finance leases are capitalized as assets by the Company at an amount equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Assets under finance leases and leasehold improvements are depreciated over the shorter of the lease term or the estimated useful life of the assets.

Advances paid towards the acquisition of property and equipment and the cost of property and equipment not ready for use before the reporting date are disclosed as capital work-in-progress in note 11.

The Company assesses property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal ("FVL COD") and its value-in-use ("VIU"). If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the consolidated statement of income. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

m. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is allocated to the cash-generating units expected to benefit from the synergies of the combination for the purpose of impairment testing. Goodwill is tested, at the cash-generating unit (or group of cash generating units) level, for impairment annually or if events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is carried at cost less accumulated impairment losses. Impairment loss on goodwill is not reversed. See further discussion on impairment testing under "Impairment of intangible assets and goodwill" below.

n. Intangible assets

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to the Company and the cost can be reliably measured. Intangible assets acquired in a business combination are recorded at fair value using generally accepted valuation methods appropriate for the type of intangible asset. Intangible assets with definite lives are amortized over the estimated useful lives and are reviewed for impairment, if indicators of impairment arise. Intangible assets with indefinite lives are not amortized but instead are tested for impairment at least annually and written down to the fair value. See further discussion on impairment testing under "Impairment of intangible assets and goodwill" below.

The Company's definite lived intangible assets are amortized over the estimated useful life of the assets:

<u>Asset description</u>	<u>Weighted average amortization period (in months)</u>
Customer contracts	48
Customer relationships	217
Covenant not-to-compete	48
Trade names	34
Technology	93
Software	57



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o. Impairment of intangible assets and goodwill

Goodwill is not subject to amortization and tested at least annually for impairment or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's FVLCOB and VIU. For the purposes of assessing impairment, assets are grouped at the cash generating unit level which is the lowest level for which there are separately identifiable cash flows. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating units (or group of cash generating units) and then, to reduce the carrying amount of the other assets in the cash generating unit (or group of cash generating units) on a pro rata basis based on the carrying amount of each asset in the cash generating unit. Intangible assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

p. Employee benefits

i. Defined contribution plans

US Savings Plan

Eligible employees of the Company in the US participate in a savings plan ("the Plan") under Section 401(k) of the United States Internal Revenue Code ("the Code"). The Plan allows for employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions to the Plan. The Plan provides that the Company can make optional contributions up to the maximum allowable limit under the Code.

UK Pension Scheme

Eligible employees in the UK contribute to a defined contribution pension scheme operated in the UK. The assets of the scheme are held separately in an independently administered fund. The pension expense represents contributions payable to the fund maintained by the Company.

Provident Fund

Eligible employees of the Company in India, the Philippines, South Africa, Sri Lanka and the UK participate in a defined contribution fund in accordance with the regulatory requirements in the respective jurisdictions. Both the employee and the Company contribute an equal amount to the fund which is equal to a specified percentage of the employee's salary.

The Company has no further obligation under defined contribution plans beyond the contributions made under these plans. Contributions are charged to profit or loss and are included in the consolidated statement of income in the year in which they accrue.

ii. Defined benefit plan

Employees in India, the Philippines and Sri Lanka are entitled to a defined benefit retirement plan covering eligible employees of the Company. The plan provides for a lump-sum payment to eligible employees, at retirement, death, and incapacitation or on termination of employment, of an amount based on the respective employees' salary and tenure of employment (subject to a maximum of approximately \$15 per employee in India). In India contributions are made to funds administered and managed by the Life Insurance Corporation of India ("LIC") and Aviva Life Insurance Company Private Limited ("ALICPL") (together, the "Fund Administrators") to fund the gratuity liability of an Indian subsidiary. Under this scheme, the obligation to pay gratuity remains with the Company, although the Fund Administrators administer the scheme. The Company's Sri Lanka subsidiary, Philippines subsidiary and one Indian subsidiary have unfunded gratuity obligations.

Gratuity liabilities are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability, as the case may be, in accordance with IAS 19, "Employee Benefits." The discount rate is based on the government securities yield. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in other comprehensive income in the statement of comprehensive income in the period in which they arise.



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iii. Compensated absences

The Company's liability for compensated absences, which are expected to be utilized or settled within one year, is determined on an accrual basis for the carried forward unused vacation balances standing to the credit of each employee as at year-end and is charged to income in the year in which they accrue.

The Company's liability for compensated absences, which are expected to be utilized after one year is determined on the basis of an actuarial valuation using the projected unit credit method and is charged to consolidated statement of income in the year in which they accrue.

q. Share-based payments

The Company accounts for share-based compensation expense relating to share-based payments using a fair value method in accordance with IFRS 2 "Share-based Payments." Grants issued by the Company vest in a graded manner. Under the fair value method, the estimated fair value of awards is charged to income over the requisite service period, which is generally the vesting period of the award, for each separately vesting portion of the award as if the award was, in substance, multiple awards. The Company includes a forfeiture estimate in the amount of compensation expense being recognized based on the Company's estimate of equity instruments that will eventually vest.

r. Provisions and accrued expenses

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are recognized at present value by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

s. Revenue recognition

The Company derives revenue from BPM services comprising of back office administration, data management, customer interaction services management and auto claims handling services.

Revenue is recognized to the extent it is probable that the economic benefit will flow to the Company, the amount of revenue can be measured reliably, collection is probable, and the cost incurred or to be incurred can be measured reliably. Revenue from rendering services is recognized on an accrual basis when services are performed and revenue from the end of last billing to the reporting date is recognized as unbilled revenue. Revenue is net of value-added taxes and includes reimbursements of out-of-pocket expenses.

Revenue earned by back office administration, data management and customer interaction services management services

Back office administration, data management and customer interaction services contracts are based on the following pricing models:

- a) per full-time-equivalent arrangements, which typically involve billings based on the number of full-time employees (or equivalent) deployed on the execution of the business process outsourced;
- b) per transaction arrangements, which typically involve billings based on the number of transactions processed (such as the number of e-mail responses, or airline coupons or insurance claims processed);
- c) fixed-price arrangements, which typically involve billings based on achievements of pre-defined deliverables or milestones;
- d) outcome-based arrangements, which typically involve billings based on the business result achieved by our clients through our service efforts (such as measured based on a reduction in days sales outstanding, improvement in working capital, increase in collections or a reduction in operating expenses); or



- e) other pricing arrangements, including cost-plus arrangements, which typically involve billing the contractually agreed direct and indirect costs and a fee based on the number of employees deployed under the arrangement.



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Revenues from the Company's services are recognized primarily on a time-and-material, cost-plus or unit-priced basis. Revenues under time-and-material contracts are recognized as the services are performed. Revenues are recognized on cost-plus contracts on the basis of contractually agreed direct and indirect costs incurred on a client contract plus an agreed upon profit mark-up. Revenues are recognized on unit-price based contracts based on the number of specified units of work delivered to a client. Such revenues are recognized as the related services are provided in accordance with the client contract.

Amounts billed or payments received, where revenue recognition criteria have not been met, are recorded as deferred revenue and are recognized as revenue when all the recognition criteria have been met. However, the costs related to the performance of BPM services unrelated to transition services (see discussion below) are recognized in the period in which the services are rendered. An upfront payment received towards future services is recognized ratably over the period when such services are provided.

The Company has certain minimum commitment arrangements that provide for a minimum revenue commitment on an annual basis. Any revenue shortfall as compared to minimum commitment is invoiced and recognized at the reporting period end.

For certain BPM customers, the Company performs transition activities at the outset of entering into a new contract. The Company has determined these transition activities do not meet the criteria using the guidance in IAS 18 "Revenue" ("IAS 18"), to be accounted for as a separate unit of accounting with stand-alone value separate from the ongoing BPM contract. Accordingly, transition revenue and costs are subsequently recognized ratably over the period in which the BPM services are performed. Further, the deferral of costs is limited to the amount of the deferred revenue. Any costs in excess of the deferred transition revenue are recognized in the period incurred.

Revenue earned by auto claims handling services

Auto claims handling services include claims handling and administration ("Claims Handling"), car hire and arranging for repairs with repair centers across the UK and the related payment processing for such repairs ("Accident Management"). With respect to Claims Handling, the Company receives either a per-claim fee or a fixed fee. Revenue for per claim fee is recognized over the estimated processing period of the claim, which currently ranges from one to two months and revenue for fixed fee is recognized on a straight line basis over the period of the contract. In certain cases, the fee is contingent upon the successful recovery of a claim on behalf of the customer. In these circumstances, the revenue is deferred until the contingency is resolved. Revenue in respect of car hire is recognized over the car hire term.

In order to provide Accident Management services, the Company arranges for the repair through a network of repair centers. The repair costs are invoiced to customers. In determining whether the receipt from the customers related to payments to repair centers should be recognized as revenue, the Company considers the criteria established by IAS 18, Illustrative example ("IE") 21 — "Determining whether an entity is acting as a principal or as an agent." When the Company determines that it is the principal in providing Accident Management services, amounts received from customers are recognized and presented as third party revenue and the payments to repair centers are recognized as cost of revenue in the consolidated statement of income. Factors considered in determining whether the Company is the principal in the transaction include whether:

- a) the Company has the primary responsibility for providing the services,
- b) the Company negotiates labor rates with repair centers,
- c) the Company is responsible for timely and satisfactory completion of repairs, and
- d) the Company bears the risk that the customer may not pay for the services provided (credit risk).

If there are circumstances where the above criteria are not met and therefore the Company is not the principal in providing Accident Management services, amounts received from customers are recognized and presented net of payments to repair centers in the consolidated statement of income. Revenue from Accident Management services is recorded net of the repairer referral fees passed on to customers.

Revenue from legal services in the Auto claims BPM segment is recognized on the admission of liability by the third party to the extent of fixed fees earned at each stage and any further income on the successful settlement of the claim.

Incremental and direct costs incurred to contract with a claimant are amortized over the estimated period of provision of services, not exceeding 15 months. All other costs to the Company are expensed as incurred.



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t. Leases

The Company leases most of its delivery centers and office facilities under operating lease agreements that are renewable on a periodic basis at the option of the lessor and the lessee. The lease agreements contain rent free periods and rent escalation clauses. Rental expenses for operating leases with step rents are recognized on a straight-line basis over the lease term. When a lease agreement undergoes a substantial modification of the existing terms, it would be accounted as a new lease agreement with the resultant deferred rent liability credited to the consolidated statement of income.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.

u. Income taxes

Income tax comprises current and deferred tax. Income tax expense is recognized in consolidated statement of income except to the extent it relates to items directly recognized in equity, in which case it is recognized in equity.

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profit for the period. The tax rates and tax laws used to compute the amount are those that are enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Though the Company has considered all these issues in estimating its income taxes, there could be an unfavorable resolution of such issues that may affect results of the Company's operations.

ii. Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for all deductible and taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of transaction.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax asset in respect of carry forward of unused tax credits and unused tax losses are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

The Company recognizes deferred tax liabilities for all taxable temporary differences except those associated with the investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.



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v. Finance expense

Finance expense comprises interest cost on borrowings, transaction costs and the gains/losses on settlement of related derivative instruments. The foreign exchange gains/losses on borrowings are considered as a natural economic hedge for the foreign currency monetary assets which are classified as foreign exchange gains/losses, net within results from operating activities. Borrowing costs are recognized in the consolidated statement of income using the effective interest method.

w. Earnings per share

Basic earnings per share are computed using the weighted-average number of ordinary shares outstanding during the period. Diluted earnings per share is computed by considering the impact of the potential issuance of ordinary shares, using the treasury stock method, on the weighted average number of shares outstanding during the period, except where the results would be anti-dilutive.

x. Government grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to depreciable assets are treated as deferred income and are recognized in the consolidated statement of income on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the consolidated statement of income over the periods necessary to match them with the related costs that they are intended to compensate.

3. New accounting pronouncements not yet adopted by the Company

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after April 1, 2017 or later periods. Those which are considered to be relevant to the Company's operations are set out below.

- i. In May 2014, the IASB issued IFRS 15 "Revenue from Contracts with Customers" (IFRS 15). This standard provides a single, principle-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point at which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various other related matters. IFRS 15 also introduced new disclosure requirements with respect to revenue.

The five steps in the model under IFRS 15 are: (i) identify the contract with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contracts; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 replaces the following standards and interpretations:

- IAS 11 "Construction Contracts"
- IAS 18 "Revenue"
- IFRIC 13 "Customer Loyalty Programmes"
- IFRIC 15 "Agreements for the Construction of Real Estate"
- IFRIC 18 "Transfers of Assets from Customers"
- SIC-31 "Revenue - Barter Transactions Involving Advertising Services"

When first applying IFRS 15, it should be applied in full for the current period, including retrospective application to all contracts that were not yet complete at the beginning of that period. In respect of prior periods, the transition guidance allows an option to either:

- apply IFRS 15 in full to prior periods (with certain limited practical expedients being available); or
- retain prior period figures as reported under the previous standards, recognizing the cumulative effect of applying IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application (beginning of current reporting period).



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In April 2016, the IASB issued amendments to IFRS 15, clarifying some requirements and providing additional transitional relief for companies. The amendments do not change the underlying principles of IFRS 15 but clarify how those principles should be applied. The amendments clarify how to:

- identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and
- determine whether the revenue from granting a license should be recognized at a point in time or over time.

In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies IFRS 15. The amendments have the same effective date as IFRS 15.

IFRS 15 is effective for fiscal years beginning on or after January 1, 2018. Earlier application is permitted. The Company expects to apply this standard retrospectively with the cumulative effect of initially applying this standard recognized at April 1, 2018 (i.e. the date of initial application in accordance with this standard). Further, the Company is currently evaluating the impact that this new standard will have on its consolidated financial statements.

- ii. In July 2014, the IASB finalized and issued IFRS 9 – “Financial Instruments” (IFRS 9). IFRS 9 replaces IAS 39 “Financial instruments: recognition and measurement,” the previous Standard which dealt with the recognition and measurement of financial instruments in its entirety upon former’s effective date.

Key requirements of IFRS 9:

Replaces IAS 39’s measurement categories with the following three categories:

- fair value through profit or loss (“FVTPL”)
- fair value through other comprehensive income (“FVTOCI”)
- amortized cost

Eliminates the requirement for separation of embedded derivatives from hybrid financial assets, the classification requirements to be applied to the hybrid financial asset in its entirety.

Requires an entity to present the amount of change in fair value due to change in entity’s own credit risk in other comprehensive income.

Introduces new impairment model, under which the “expected” credit loss are required to be recognized as compared to the existing “incurred” credit loss model of IAS 39.

Fundamental changes in hedge accounting by introduction of new general hedge accounting model which:

- Increases the eligibility of hedged item and hedging instruments;
- Introduces a more principles-based approach to assess hedge effectiveness.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

Earlier application is permitted provided that all the requirements in the Standard are applied at the same time with two exceptions:

- (1) The requirement to present changes in the fair value of a liability due to changes in own credit risk may be applied early in isolation;
- (2) Entity may choose as its accounting policy choice to continue to apply hedge accounting requirements of IAS 39 instead of new general hedge accounting model as provided in IFRS 9.

The Company is currently evaluating the impact of this new standard on its consolidated financial statements.



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iii. In January 2016, the IASB has issued IFRS 16 “Leases” (“IFRS 16”). Key changes in IFRS 16 include:

- eliminates the requirement to classify a lease as either operating or finance lease in the books of lessee.
- introduces a single lessee accounting model, which requires lessee to recognize assets and liabilities for all leases, initially measured at the present value of unavoidable future lease payment. Entity may elect not to apply this accounting requirement to short term leases and leases for which underlying asset is of low value.
- replaces the straight-line operating lease expense model with a depreciation charge for the lease asset (included within operating costs) and an interest expense on the lease liability (included within finance costs).
- requires lessee to classify cash payments for principal and interest portion of lease arrangement within financing activities and financing/operating activities respectively in the cash flow statements.
- requires entities to determine whether a contract conveys the right to control the use of an identified asset for a period of time to assess whether that contract is, or contains, a lease.

IFRS 16 replaces IAS 17, Leases and related interpretations viz. IFRIC 4, “Determining whether an Arrangement contains a Lease;” SIC-15, “Operating Leases—Incentives;” and SIC-27, “Evaluating the Substance of Transactions Involving the Legal Form of a Lease.”

IFRS 16 substantially carries forward lessor accounting requirements in IAS 17, “Leases.” Disclosures, however, have been enhanced.

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. Early application is permitted for entities that apply IFRS 15, “Revenue from Contracts with Customers” at or before the date of initial application of IFRS 16.

A lessee shall apply IFRS 16 either retrospectively to each prior reporting period presented or record a cumulative effect of initial application of IFRS 16 as an adjustment to opening balance of equity at the date of initial application.

The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

iv. In January 2016, the IASB issued amendments to IAS 12 – “Income taxes” to clarify the following:

- the carrying value of an asset does not limit the estimation of probable future taxable profits.
- estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- an entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted.

The Company expects the adoption of these amendments will have no impact on its consolidated financial statements.

v. In January 2016, the IASB issued amendments in IAS 7- “Statement of Cash Flows” to clarify and improve information provided to users of financial statements about an entity’s financing activities.

The IASB requires that the following changes in liabilities arising from financing activities to be disclosed (to the extent necessary):

- changes from financing cash flows;
- changes arising from obtaining and losing control of subsidiaries or other businesses;
- the effect of changes of foreign exchange rates;
- changes in fair value; and
- other changes.

The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted. Entities need not present comparative information when they first apply the amendments.



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The Company is currently evaluating the effect of this amendment on its consolidated financial statements.

vi. In June 2016, the IASB issued amendments in IFRS 2 – “Share-based Payment” to clarify the following:

- the accounting for cash-settled share-based payment transactions that include a performance condition should follow the same approach as for equity-settled share-based payment;
- the classification of share-based payment transactions with net settlement features for withholding tax obligations should be classified as equity-settled in its entirety, provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature; and
- modifications of a share-based payment that changes the transaction from cash-settled to equity-settled to be accounted for as follows:
 - i. the original liability is derecognized;
 - ii. the equity-settled share-based payment is recognized at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
 - iii. any difference between the carrying amount of the liability at the modification date and the amount recognized in equity should be recognized in the statement of income immediately.

The above amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The amendments are to be applied prospectively. However, if an entity applies the amendments retrospectively, it must do so for all of the amendments described above.

The Company is currently evaluating the impact of these amendments on its consolidated financial statements.

vii. In December 2016, the IFRS Interpretations Committee (‘IFRIC’) issued amendments to IFRIC 22 – “Foreign Currency Transactions and Advance Consideration” to clarify the exchange rate to use for translation when payments are made or received in advance of the related asset, expense or income (or part of it) in foreign currency.

The exchange rate in this case will be the rate prevalent on the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

IFRIC 22 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted.

On initial application, entities have the choice to apply the Interpretation either retrospectively or, alternatively, prospectively to all assets, expenses and income in the scope of the Interpretation initially recognized on or after:

- the beginning of the reporting period in which the entity first applies the Interpretation; or
- the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Interpretation.

The Company is currently evaluating the impact of these amendments on its consolidated financial statements.

viii. In June 2017, the IFRIC issued IFRIC 23 – “Uncertainty over Income Tax Treatments” to clarify the accounting for uncertainties in income taxes, by specifically addressing the following:

- the determination of whether to consider each uncertain tax treatment separately or together with one or more uncertain tax treatments;
- the assumptions an entity makes about the examination of tax treatments by tax authorities;
- the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates where there is an uncertainty regarding the treatment of an item; and
- the reassessment of judgements and estimates if facts and circumstances change.



IFRIC 23 is effective for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted.

On initial application, the requirements are to be applied by recognizing the cumulative effect of initially applying them in retained earnings, or in other appropriate components of equity, at the start of the reporting period in which an entity first applies them, without adjusting comparative information. Full retrospective application is permitted, if an entity can do so without using hindsight.

The Company is currently evaluating the impact of this pronouncement on its consolidated financial statements.



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4. Business Combinations

a) HealthHelp

On March 15, 2017 (“Acquisition date”), the Company acquired all ownership interests of MTS HealthHelp Inc. and its subsidiaries (“HealthHelp”), which provides benefits management across several specialty healthcare areas, including radiology, cardiology, oncology, sleep care, orthopedics, and pain management, for a total consideration of \$68,337, subject to adjustments for cash and working capital, including a contingent consideration of \$8,545, payable over a period of two years linked to revenue targets and continuation of an identified client contract. The fair value of the contingent consideration liability was estimated using level 3 inputs which included an assumption for discount rate of 2.5%. The potential undiscounted amount of all future payments that the Company could be required to make under the contingent consideration arrangement is between \$0 and \$8,876.

The Company has funded the acquisition primarily with a five year secured term loan. The Company is expected to leverage HealthHelp’s capability in care management to address the needs of payor, provider and insurance organizations.

The Company has incurred acquisition related costs of \$1,809, which have been included in “General and administrative expenses” in the consolidated statement of income.

The purchase price has been allocated on a provisional basis, as set out below, to the assets acquired and liabilities assumed in the business combination.

	Amount
Cash	\$ 3,119
Trade receivables	4,910
Unbilled revenue	1,854
Prepayments and other current assets	1,070
Property and equipment	4,612
Intangible assets	
- Software	1,274
- Customer contracts	4,537
- Customer relationships	49,584
- Service mark	400
- Covenant not-to-compete	4,693
- Technology	4,852
Non-current assets	96
Term loan	(29,249)
Current liabilities	(2,688)
Non-current liabilities	(1,423)
Deferred tax liability	(18,146)
Net assets acquired	\$ 29,495
Less: Purchase consideration	68,337
Goodwill on acquisition	<u>\$ 38,842</u>

The trade receivables comprise gross contractual amounts due of \$4,910 and the Company, based on its best estimate at the acquisition date, expects to collect the entire amount. The unbilled revenue comprises gross contractual amounts of \$1,854 and the Company, based on its best estimate at the acquisition date, expects to invoice the entire amount and collect it. Goodwill of \$14,643 arising from this acquisition is expected to be deductible for tax purposes.

Goodwill is attributable mainly to expected synergies and assembled workforce arising from the acquisition.

The purchase consideration has been allocated on a provisional basis based on management’s estimates. The Company is in the process of making a final determination of the fair value of assets and liabilities. Finalization of the purchase price allocation may result in certain adjustments to the above allocation and revision of amounts recorded as of March 31, 2017 to reflect the final valuation of assets acquired or liabilities assumed.



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Impact of acquisition on the results of the Company:

The acquisition of HealthHelp contributed \$2,417 to the Company’s revenue and a loss of \$286 to the Company’s profit for the year ended March 31, 2017.

b) Denali Sourcing Services Inc.

On January 20, 2017 (“Acquisition Date”), the Company acquired all outstanding shares of Denali Sourcing Services Inc. (“Denali”), a provider of strategic procurement BPM solutions for a purchase consideration of \$39,635 (including the contingent consideration of \$6,277, dependent on the achievement of revenue targets over a period of three years and deferred consideration of \$522 payable in first quarter of fiscal 2018), subject to adjustments for cash and working capital. The fair value of the contingent consideration liability was estimated using level 3 inputs which included an assumption for discount rate of 2.5%. The potential undiscounted amount of all future payments that the Company could be required to make under the contingent consideration arrangement is between \$0 and \$6,578. The payment was funded through a three year secured term loan.

Denali delivers global sourcing and procurement services to high-tech, retail and CPG, banking and financial services, utilities, and healthcare verticals. The acquisition of Denali is expected to add a strategic procurement capability to the Company’s existing Finance and Accounting services and will enable the Company to offer procurement solutions to its clients.

The Company has incurred acquisition related costs of \$502, which have been included in “General and administrative expenses” in the consolidated statement of income.

The purchase price has been allocated on a provisional basis, as set out below, to the assets acquired and liabilities assumed in the business combination.

	<u>Amount</u>
Cash	\$ 1,204
Trade receivables	2,891
Unbilled revenue	1,258
Prepayments and other current assets	95
Property and equipment	53
Deferred tax asset	18
Intangible assets	
- Software	3
- Customer contracts	3,025
- Customer relationships	8,000
- Trade name	545
- Covenant not-to-compete	1,718
Non-current assets	27
Current liabilities	(3,238)
Short-term line of credit	(475)
Non-current liabilities	(343)
Deferred tax liability	(5,020)
Net assets acquired	\$ 9,761
Less: Purchase consideration	39,635
Goodwill on acquisition	<u>\$29,874</u>



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The trade receivables comprise gross contractual amounts due of \$2,891 and the Company, based on its best estimate at the acquisition date, expects to collect the entire amount. The unbilled revenue comprises gross contractual amounts of \$1,258 and the Company, based on its best estimate at the acquisition date, expects to invoice the entire amount and collect it. Goodwill arising from this acquisition is not expected to be deductible for tax purposes.

Goodwill is attributable mainly to expected synergies and assembled workforce arising from the acquisition.

The purchase consideration has been allocated on a provisional basis based on management’s estimates. The Company is in the process of making a final determination of the fair value of assets and liabilities. Finalization of the purchase price allocation may result in certain adjustments to the above allocation and revision of amounts recorded as of March 31, 2017 to reflect the final valuation of assets acquired or liabilities assumed.

Impact of acquisition on the results of the Company:

The acquisition of Denali contributed \$5,195 to the Company’s revenue and a loss of \$227 to the Company’s profit for the year ended March 31, 2017.

c) Value Edge

On June 14, 2016 (“Acquisition Date”), the Company acquired all outstanding equity shares of Value Edge Research Services Private Limited (“Value Edge”) which provides business research and analytics reports and databases across the domains of pharmaceutical, biotech and medical devices, for a total consideration of \$18,265 including working capital adjustments of \$765 and contingent consideration of \$5,112 (held in escrow), subject to compliance with certain conditions, payable over a period of three years. The acquisition is expected to deepen the Company’s domain and specialized analytical capabilities in the growing pharma market, and provide the Company with a technology asset, which is leverageable across clients and industries.

The Company has incurred acquisition related costs of \$24, which have been included in “General and administrative expenses” in the consolidated statement of income.

The purchase price has been allocated, as set out below, to the assets acquired and liabilities assumed in the business combination.

	<u>Amount</u>
Cash	\$ 432
Trade receivables	370
Unbilled revenue	706
Investments	87
Prepayments and other current assets	99
Property and equipment	78
Deferred tax asset	49
Intangible assets	
- Software	10
- Customer contracts	701
- Customer relationships	1,894
- Trade name	104
- Covenant not-to-compete	2,655
- Technology	1,238
Non-current assets	74
Current liabilities	(1,236)
Non-current liabilities	(126)
Deferred tax liability	(2,281)
Net assets acquired	\$ 4,854
Less: Purchase consideration	18,265
Goodwill on acquisition	<u>\$13,411</u>



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The trade receivables comprise gross contractual amounts due of \$370 and the Company, based on its best estimate at the acquisition date, expects to collect the entire amount. The unbilled revenue comprises gross contractual amounts of \$706 and the Company, based on its best estimate at the acquisition date, expects to invoice the entire amount and collect it. Goodwill arising from this acquisition is not expected to be deductible for tax purposes.

Goodwill is attributable mainly to expected synergies and assembled workforce arising from the acquisition.

Impact of acquisition on the results of the Company:

The acquisition of Value Edge contributed \$3,957 to the Company's revenue and a profit of \$237 to the Company's profit for the year ended March 31, 2017.

Impact of all acquisitions on the results of the Company:

Had the acquisitions occurred on April 1, 2016, the Company's revenue and profit for the year ended March 31, 2017 would have been \$681,635 (unaudited) and \$44,661 (unaudited), respectively.



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d) Telkom

On April 10, 2015, the Company entered into an agreement with Telkom SA SOC LIMITED (“Telkom”), a leading provider of communication services in South Africa, pursuant to which the Company agreed to acquire a contract and the related workforce of Telkom effective May 1, 2015 (“Acquisition Date”). The net purchase price of the transaction, which was paid in cash, was ZAR 35,639 (\$2,572 based on the exchange rate on September 30, 2015).

The purchase price has been allocated as follows:

	<u>Amount</u>
Customer contract- intangible assets	\$2,990
Cash	411
Accrued leave liability	(411)
Deferred tax liabilities	<u>(837)</u>
Net assets acquired	\$2,153
Less: Purchase consideration	<u>3,331</u>
Goodwill on acquisition	<u>\$1,178</u>

Goodwill arising from this acquisition is not expected to be deductible for tax purposes. Goodwill is attributable mainly to benefit from expected synergies and the assembled workforce of Telkom.



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5. Cash and cash equivalents

The Company considers all highly liquid investments with an initial maturity of up to three months to be cash equivalents. Cash and cash equivalents consist of the following:

	As at	
	March 31, 2017	March 31, 2016
Cash and bank balances	\$ 46,110	\$ 25,194
Short term deposits with banks	23,693	16,660
Total	\$ 69,803	\$ 41,854

Short term deposits can be withdrawn by the Company at any time without prior notice and are readily convertible into known amounts of cash with an insignificant risk of changes in value.

6. Investments

Investments consist of the following:

	As at	
	March 31, 2017	March 31, 2016
Investments in marketable securities and mutual funds ⁽¹⁾	\$ 87,652	\$ 118,198
Investments in FMPs	96	—
Investment in fixed deposits	24,673	14,791
Total	\$112,421	\$132,989

Note:

(1) Marketable securities represent short term investments made principally for the purpose of earning dividend income.

	As at	
	March 31, 2017	March 31, 2016
Current investments	\$111,992	\$132,989
Non-current investment	429	—
Total	\$112,421	\$132,989



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7. Trade receivables, net

Trade receivables consist of the following:

	As at	
	March 31, 2017	March 31, 2016
Trade receivables	\$ 62,136	\$ 59,357
Less: Allowances for doubtful accounts receivable	(1,713)	(4,446)
Total	\$ 60,423	\$ 54,911

The movement in the allowances for doubtful accounts receivable is as follows:

	Year ended March 31,		
	2017	2016	2015
Balance at the beginning of the year	\$ 4,446	\$5,336	\$ 4,999
Charged to operations	777	1,010	2,534
Write-offs, net of collections	(2,571)	(936)	(621)
Reversals	(664)	(904)	(1,182)
Translation adjustment	(275)	(60)	(394)
Balance at the end of the year	\$ 1,713	\$4,446	\$ 5,336



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8. Prepayments and other assets

Prepayment and other assets consist of the following:

	As at	
	March 31, 2017	March 31, 2016
Current:		
Service tax and other tax receivables	\$ 8,029	\$ 5,871
Deferred transition cost	423	191
Employee receivables	1,215	1,319
Advances to suppliers	2,087	2,015
Prepaid expenses	8,819	6,278
Restricted cash, held in escrow (Refer note 4(c))	1,611	—
Other assets	5,201	6,927
Total	\$ 27,385	\$ 22,601
Non-current:		
Deposits	\$ 7,569	\$ 6,348
Income tax assets	10,202	6,697
Service tax and other tax receivables	6,236	5,419
Deferred transition cost	365	223
Restricted cash, held in escrow (Refer note 4(c))	3,222	—
Others assets	4,350	3,161
Total	\$ 31,944	\$ 21,848

9. Goodwill

	As at	
	March 31, 2017	March 31, 2016
Gross carrying amount	\$155,681	\$ 76,242
Accumulated impairment of goodwill	(21,673)	—
Total	\$134,008	\$ 76,242

The movement in goodwill balance by reportable segment as at March 31, 2017 and 2016 is as follows:

Gross carrying amount

	WNS Global BPM	WNS Auto Claims BPM	Total
	Balance as at April 1, 2015	\$ 48,519	\$ 30,539
Goodwill arising from business combination of Telkom contract and the related workforce (Refer Note 4(d))	1,178	—	1,178
Foreign currency translation	(3,194)	(800)	(3,994)
Balance as at March 31, 2016	<u>\$ 46,503</u>	<u>\$ 29,739</u>	<u>\$ 76,242</u>
Goodwill arising on acquisitions (Refer Note 4(a), 4(b) & 4(c))	82,127	—	82,127
Foreign currency translation	1,248	(3,936)	(2,688)
Balance as at March 31, 2017	<u>\$ 129,878</u>	<u>\$ 25,803</u>	<u>\$155,681</u>



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Accumulated impairment losses

	WNS Global BPM	WNS Auto Claims BPM	Total
Balance as at April 1, 2015	\$ —	\$ —	\$ —
Impairment of goodwill recognized during the year	—	—	—
Balance as at March 31, 2016	\$ —	\$ —	\$ —
Impairment of goodwill recognized during the year	—	21,673	21,673
Balance as at March 31, 2017	—	21,673	21,673

The carrying value of goodwill allocated to the cash generating units (“CGU”) is as follows:

	As at	
	March 31, 2017	March 31, 2016
WNS Global BPM*	\$ 3,815	\$ 3,765
South Africa	4,963	4,485
Research & Analytics	49,146	34,522
Technology services	3,238	3,731
WNS Auto Claims BPM	4,130	29,739
Finance and accounting	29,874	—
Healthcare	38,842	—
	\$134,008	\$ 76,242

* Excluding South Africa, Research & analytics, Technology services, Finance and accounting and Healthcare goodwill.



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Key assumptions on which the Company has based its determination of VIUs include:

- a) Estimated cash flows for five years based on approved internal management budgets with extrapolation for the remaining period, wherever such budgets were shorter than five years period.
- b) Terminal value arrived by extrapolating last forecasted year cash flows to perpetuity using long-term growth rates. These long-term growth rates take into consideration external macro-economic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
- c) The discount rates used are based on weighted average cost of capital of a comparable market participant, which are adjusted for specific country risks.

The key assumptions used in performing the impairment test, by each CGU, were as follows:

	CGU's						
	WNS Global BPM*	South Africa	Finance & accounting	Research & analytics	Healthcare	Technology services	WNS Auto Claims BPM
Discount rate	17.7%	19.0%	16.3%	17.7%	15.3%	13.0%	13.0%
Perpetual growth rate	3.0%	3.0%	2.0%	3.0%	2.5%	3.0%	1.0%

* Excluding South Africa, Research & analytics, Technology services, Healthcare and Finance & Accounting.

The assumptions used were based on the Company's internal budget. The Company projected revenue, operating margins and cash flows for a period of five years, and applied a perpetual long-term growth rate thereafter.

In arriving at its forecasts, the Company considered past experience, economic trends and inflation as well as industry and market trends. The projections also took into account factors such as the expected impact from new client wins and expansion from existing clients businesses and efficiency initiatives, and the maturity of the markets in which each business operates.

During the fourth quarter of fiscal 2017, the proposed changes in UK laws with respect to personal injury market and the associated uncertainty of the future earnings trajectory of the legal services business and downward revision in the expectation for future performance within WNS Auto Claims reportable segment due to contract renegotiations and loss of certain clients caused the financial projections and estimates of WNS Auto Claims BPM reportable segment to significantly decrease from the previous estimates which led to an impairment loss during fiscal 2017. These factors arising in the fourth quarter of fiscal 2017 had a significant and negative impact on the VIU of the WNS Auto Claims BPM reportable segment, and the Company determined that the carrying value of the reportable segment for WNS Auto Claims BPM exceeded the VIU as of the date of its annual impairment review. The Company further performed the valuation of FVLCOD of the impairment test.

The Company determined the FVLCOD of reportable segment using the "Income Approach — Discounted Cash Flow Analysis" method.

Under the "Income Approach — Discounted Cash Flow Analysis" method the key assumptions consider projected sales, cost of sales, and operating expenses for five years. These assumptions were determined by management utilizing our internal operating plan, growth rates for revenues and operating expenses, and margin assumptions using market participant perspective. An additional key assumption under this approach is the discount rate, which represents the expected return on capital and is based on the estimated weighted average cost of capital for a market participant. If our assumptions relative to growth rates were to change, our fair value calculation may change, which could impact the results.

The fair value of the WNS Auto Claims BPM reportable segment was determined using level 3 inputs through an income approach which includes assumptions for discount rate of 13.0% with annual and perpetual growth rate of 2.5% and 2.0% respectively. The Company used the "Market approach-Guideline Public Company Method" to corroborate the results of the income approach. The FVLCOD was higher than the VIU, which is considered as the recoverable amount of the CGU amounting to \$37,836. The next step of the goodwill impairment test resulted in an impairment charge of \$21,673 for goodwill related to the WNS Auto Claims BPM reportable segment in fiscal 2017. This impairment charge of \$21,673 was recorded in operating expenses in the Consolidated Statement of Income, which reduced the goodwill in WNS Auto Claims BPM to \$4,130 as at March 31, 2017.



The Company did not recognize any impairment charge for goodwill related to WNS Global BPM reportable segment. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) did not identify any probable scenarios where the other CGU's recoverable amount would fall below its carrying amount.



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10. Intangible assets

The changes in the carrying value of intangible assets for the year ended March 31, 2016 are as follows:

<u>Gross carrying value</u>	<u>Customer contracts</u>	<u>Customer relationships</u>	<u>Intellectual property rights</u>	<u>Leasehold benefits</u>	<u>Covenant not-to-compete</u>	<u>Software</u>	<u>Total</u>
Balance as at April 1, 2015	\$158,753	\$ 63,928	\$ 4,569	\$ 1,835	\$ 332	\$12,411	\$241,828
Additions	—	—	—	—	—	8,574	8,574
On business combination (Refer note 4(d))	2,990	—	—	—	—	—	2,990
Disposals	—	—	—	—	—	(342)	(342)
Translation adjustments	(4,957)	(781)	(119)	—	(6)	(883)	(6,746)
Balance as at March 31, 2016	\$156,786	\$ 63,147	\$ 4,450	\$ 1,835	\$ 326	\$19,760	\$246,304
Accumulated amortization							
Balance as at April 1, 2015	\$133,191	\$ 53,909	\$ 4,569	\$ 1,835	\$ 332	\$ 4,718	\$198,554
Amortization	15,657	5,688	—	—	—	3,853	25,198
Disposals	—	—	—	—	—	(157)	(157)
Translation adjustments	(3,365)	(605)	(119)	—	(6)	(313)	(4,408)
Balance as at March 31, 2016	\$145,483	\$ 58,992	\$ 4,450	\$ 1,835	\$ 326	\$ 8,101	\$219,187
Net carrying value as at March 31, 2016	\$ 11,303	\$ 4,155	\$ —	\$ —	\$ —	\$11,659	\$ 27,117



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The changes in the carrying value of intangible assets for the year ended March 31, 2017 are as follows:

<u>Gross carrying value</u>	<u>Customer contracts</u>	<u>Customer relationships</u>	<u>Intellectual property rights</u>	<u>Trade names</u>	<u>Technology</u>	<u>Leasehold benefits</u>	<u>Covenant not-to-compete</u>	<u>Service mark</u>	<u>Software</u>	<u>Total</u>
Balance as at April 1, 2016	\$156,786	\$ 63,147	\$ 4,450	\$ —	\$ —	\$ 1,835	\$ 326	\$ —	\$19,760	\$246,304
Additions	—	—	—	—	—	—	—	—	4,611	4,611
On acquisition (Refer Note (4(a), (b),(c))	8,263	59,478	—	649	6,090	—	9,066	400	1,287	85,233
Translation adjustments	1,952	(703)	(589)	4	41	—	59	—	(72)	692
Balance as at March 31, 2017	\$167,001	\$ 121,922	\$ 3,861	\$ 653	\$ 6,131	\$ 1,835	\$ 9,451	\$ 400	\$25,586	\$336,840
Accumulated amortization										
Balance as at April 1, 2016	\$145,483	\$ 58,992	\$ 4,450	\$ —	\$ —	\$ 1,835	\$ 326	\$ —	\$ 8,101	\$219,187
Amortization	10,653	4,016	—	78	167	—	650	—	4,975	20,539
Translation adjustments	1,840	(833)	(589)	2	5	—	(12)	—	77	490
Balance as at March 31, 2017	\$157,976	\$ 62,175	\$ 3,861	\$ 80	\$ 172	\$ 1,835	\$ 964	\$ —	\$13,153	\$240,216
Net carrying value as at										
March 31, 2017	\$ 9,025	\$ 59,747	\$ —	\$ 573	\$ 5,959	\$ —	\$ 8,487	\$ 400	\$12,433	\$ 96,624

As at March 31, 2017, the estimated remaining weighted average amortization periods for intangible assets are as follows:

	<u>Balance life</u> <u>(In months)</u>
Customer contracts	40
Customer relationships	216
Covenant not-to-compete	44
Trade names	29
Technology	92
Software	28

The estimated annual amortization expense based on remaining weighted average amortization periods for intangible assets and exchange rates, each as at March 31, 2017 are as follows:

	<u>Amount</u>
2018	\$13,980
2019	12,525
2020	11,532
2021	8,310
2022	5,843
Thereafter	44,034
	<u>\$96,224*</u>

* excludes service mark, as it has an indefinite useful life



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11. Property and equipment

The changes in the carrying value of property and equipment for the year ended March 31, 2016 are as follows:

	<u>Buildings</u>	<u>Computers and software</u>	<u>Furniture, fixtures and office equipment</u>	<u>Vehicles</u>	<u>Leasehold improvements</u>	<u>Total</u>
Gross carrying value						
Balance as at April 1, 2015	\$10,405	\$ 67,515	\$ 58,641	\$ 455	\$ 49,358	\$186,374
Additions	—	6,866	5,914	29	6,288	19,097
Disposals/retirements	—	(1,808)	(588)	—	(457)	(2,853)
Translation adjustments	(255)	(3,370)	(3,107)	(25)	(2,600)	(9,357)
Balance as at March 31, 2016	<u>\$10,150</u>	<u>\$ 69,203</u>	<u>\$ 60,860</u>	<u>\$ 459</u>	<u>\$ 52,589</u>	<u>\$193,261</u>
Accumulated depreciation						
Balance as at April 1, 2015	\$ 3,232	\$ 58,068	\$ 45,397	\$ 289	\$ 34,316	\$141,302
Depreciation	510	5,172	4,834	75	4,844	15,435
Disposals/retirements	—	(1,715)	(535)	—	(454)	(2,704)
Translation adjustments	(81)	(2,757)	(2,321)	(17)	(1,832)	(7,008)
Balance as at March 31, 2016	<u>\$ 3,661</u>	<u>\$ 58,768</u>	<u>\$ 47,375</u>	<u>\$ 347</u>	<u>\$ 36,874</u>	<u>\$147,025</u>
Capital work-in-progress						4,181
Net carrying value as at March 31, 2016						<u>\$ 50,417</u>

The changes in the carrying value of property and equipment for the year ended March 31, 2017 are as follows:

	<u>Buildings</u>	<u>Computers and software</u>	<u>Furniture, fixtures and office equipment</u>	<u>Vehicles</u>	<u>Leasehold improvements</u>	<u>Total</u>
Gross carrying value						
Balance as at April 1, 2016	\$10,150	\$ 69,203	\$ 60,860	\$ 459	\$ 52,589	\$193,261
Additions	—	4,411	7,455	135	8,105	20,106
On acquisition (Refer Note 4(a),(b),(c))	—	1,014	1,895	14	1,820	4,743
Disposals/retirements	—	(3,407)	(1,619)	(33)	(1,723)	(6,782)
Translation adjustments	96	(1,350)	286	12	201	(755)
Balance as at March 31, 2017	<u>\$10,246</u>	<u>\$ 69,871</u>	<u>\$ 68,877</u>	<u>\$ 587</u>	<u>\$ 60,992</u>	<u>\$210,573</u>
Accumulated depreciation						
Balance as at April 1, 2016	\$ 3,661	\$ 58,768	\$ 47,375	\$ 347	\$ 36,874	\$147,025
Depreciation	505	5,742	5,126	92	5,438	16,903
Disposals/retirements	—	(3,327)	(1,241)	(20)	(1,354)	(5,942)
Translation adjustments	42	(1,372)	171	10	222	(927)
Balance as at March 31, 2017	<u>\$ 4,208</u>	<u>\$ 59,811</u>	<u>\$ 51,431</u>	<u>\$ 429</u>	<u>\$ 41,180</u>	<u>\$157,059</u>
Capital work-in-progress						1,282
Net carrying value as at March 31, 2017						<u>\$ 54,796</u>

Certain property and equipment are pledged as collateral against borrowings with a carrying amount of \$170 and \$Nil as at March 31, 2017 and 2016, respectively.



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12. Loans and borrowings

Long-term debt

The long-term loans and borrowings consist of the following:

	Interest rate	Final maturity (fiscal year)	As at			
			March 31, 2017		March 31, 2016	
Currency			Foreign currency	Total	Foreign currency	Total
US dollars	3M USD Libor +1.27%	2020	\$ —	34,000	—	—
US dollars	3M USD Libor +0.95%	2022	\$ —	84,000	—	—
Total				118,000		
Less: Debt issuance cost				1,257		
Total				116,743		
Current portion of long term debt				\$ 27,613	—	—
Long term debt				\$ 89,130	—	—

The Company has entered into a floating to fixed interest rate swap in relation to these debts.

In January 2017, WNS North America Inc. obtained from BNP Paribas, Hong Kong, a three year term loan facility of \$34,000 at an interest rate equal to the three-month US dollar LIBOR plus a margin of 1.27% per annum to finance the acquisition of Denali Sourcing Services Inc. WNS North America Inc. has pledged shares of Denali Sourcing Services Inc. as security for the loan. In connection with the term loan, the Company has entered into an interest rate swap with a bank to swap the variable portion of the interest based on US dollar LIBOR to a fixed rate. This term loan is repayable in six semi-annual installments. The first five repayment instalments are \$5,650 each and the sixth and final repayment instalment is \$5,750. The first scheduled repayment is in July, 2017.

In March 2017, WNS (Mauritius) Limited obtained from HSBC Bank (Mauritius) Ltd. and Standard Chartered Bank, UK five-year term loan facility of \$84,000 at an interest rate equal to the three month US dollar LIBOR plus a margin of 0.95% per annum to finance the acquisition of HealthHelp. The Company has pledged shares of WNS (Mauritius) Limited as security for the loan. In connection with the term loan, the Company has entered into an interest rate swap with banks to swap the variable portion of the interest based on US dollar LIBOR to a fixed rate. This term loan is repayable in ten semi-annual installments of \$8,400 each. The first scheduled repayment is in September, 2017.

The Company has pledged trade receivables, other financial assets and property and equipment with an aggregate amount of \$88,730 and Nil as of March 31, 2017 and March 31, 2016 respectively, as collateral for the above borrowings.

Short-term lines of credit

The Company’s Indian subsidiary, WNS Global Services Private Limited (“WNS Global”), has unsecured lines of credit with banks amounting to \$62,957. The Company has also established a line of credit in the UK amounting to £9,880 (\$12,337 based on the exchange rate on March 31, 2017). Further the Company has also established a line of credit in South Africa amounting to ZAR 30,000 (\$2,254 based on the exchange rate on March 31, 2017).

As at March 31, 2017, no amounts were drawn under these lines of credit.



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13. Financial instruments**Financial instruments by category**

The carrying value and fair value of financial instruments by class as at March 31, 2017 are as follows:

Financial assets

	Loans and receivables	Financial assets at FVTPL	Derivative designated as cash flow hedges (carried at fair value)	Available for sale	Total carrying value	Total fair value
Cash and cash equivalents	\$ 69,803	\$ —	\$ —	\$ —	\$ 69,803	\$ 69,803
Investment in fixed deposits	24,673	—	—	—	24,673	24,673
Investments in marketable securities and mutual funds	—	—	—	87,652	87,652	87,652
Investment in FMPs	—	96	—	—	96	96
Trade receivables	60,423	—	—	—	60,423	60,423
Unbilled revenue	48,915	—	—	—	48,915	48,915
Funds held for clients	9,135	—	—	—	9,135	9,135
Prepayments and other assets (1)	4,262	—	—	—	4,262	4,262
Other non-current assets (2)	10,791	—	—	—	10,791	10,791
Derivative assets	—	5,041	36,941	—	41,982	41,982
Total carrying value	\$228,002	\$ 5,137	\$ 36,941	\$87,652	\$357,732	\$357,732

Financial liabilities

	Financial liabilities at FVTPL	Derivative designated as cash flow hedges (carried at fair value)	Financial liabilities at amortized cost	Total carrying value	Total fair value
Trade payables	\$ —	\$ —	\$ 14,239	\$ 14,239	\$ 14,239
Long term debt (includes current portion) (3)	—	—	118,000	118,000	118,000
Other employee obligations (4)	—	—	46,701	46,701	46,701
Provision and accrued expenses	—	—	27,217	27,217	27,217
Other liabilities (5)	19,678	—	1,086	20,764	20,764
Derivative liabilities	26	4,757	—	4,783	4,783
Total carrying value	\$ 19,704	\$ 4,757	\$ 207,243	\$231,704	\$231,704

Notes:

- (1) Excluding non-financial assets \$ 23,123.
- (2) Excluding non-financial assets \$ 21,153.
- (3) Excluding non-financial asset (unamortized debt issuance cost) \$1,257.
- (4) Excluding non-financial liabilities \$16,912.
- (5) Excluding non-financial liabilities \$13,720.



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The carrying value and fair value of financial instruments by class as at March 31, 2016 are as follows:

Financial assets

	Loans and receivables	Financial assets at FVTPL	Derivative designated as cash flow hedges (carried at fair value)	Available for sale	Total carrying value	Total fair value
Cash and cash equivalents	\$ 41,854	\$ —	\$ —	\$ —	\$ 41,854	\$ 41,854
Investment in fixed deposits and marketable securities	14,791	—	—	118,198	132,989	132,989
Trade receivables	54,911	—	—	—	54,911	54,911
Unbilled revenue	44,318	—	—	—	44,318	44,318
Funds held for clients	11,895	—	—	—	11,895	11,895
Prepayments and other assets (1)	6,147	—	—	—	6,147	6,147
Other non-current assets (2)	6,348	—	—	—	6,348	6,348
Derivative assets	—	2,492	16,245	—	18,737	18,737
Total carrying value	\$180,264	\$ 2,492	\$ 16,245	\$118,198	\$317,199	\$317,199

Financial liabilities

	Financial liabilities at FVTPL	Derivative designated as cash flow hedges (carried at fair value)	Financial liabilities at amortized cost	Total carrying value	Total fair value
Trade payables	\$ —	\$ —	\$ 19,862	\$19,862	\$19,862
Other employee obligations (3)	—	—	39,604	39,604	39,604
Provision and accrued expenses	—	—	24,741	24,741	24,741
Other liabilities (4)	—	—	231	231	231
Derivative liabilities	870	2,840	—	3,710	3,710
Total carrying value	\$ 870	\$ 2,840	\$ 84,438	\$88,148	\$88,148

Notes:

- (1) Excluding non-financial assets \$16,454.
- (2) Excluding non-financial assets \$15,500.
- (3) Excluding non-financial liabilities \$12,109.
- (4) Excluding non-financial liabilities \$10,290.



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For the financial assets and liabilities subject to offsetting or similar arrangements, each agreement between the Company and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis.

Financial assets and liabilities subject to offsetting, enforceable master netting arrangements or similar agreements as at March 31, 2017 are as follows:

Description of types of financial assets	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amount not set off in financial instruments		Net Amount
				Financial instruments	Cash collateral received	
Derivative assets	\$ 41,982	\$ —	\$ 41,982	\$ (1,712)	\$ —	\$40,270
Total	\$ 41,982	\$ —	\$ 41,982	\$ (1,712)	\$ —	\$40,270

Description of types of financial liabilities	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amount not set off in financial instruments		Net Amount
				Financial instruments	Cash collateral pledged	
Derivative liabilities	\$ 4,783	\$ —	\$ 4,783	\$ (1,712)	\$ —	\$3,071
Total	\$ 4,783	\$ —	\$ 4,783	\$ (1,712)	\$ —	\$3,071



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Financial assets and liabilities subject to offsetting, enforceable master netting arrangements or similar agreements as at March 31, 2016 are as follows:

Description of types of financial assets	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amount not set off in financial instruments		
				Financial instruments	Cash collateral received	Net amount
Derivative assets	\$ 18,737	\$ —	\$ 18,737	\$ (3,040)	\$ —	\$15,697
Total	\$ 18,737	\$ —	\$ 18,737	\$ (3,040)	\$ —	\$15,697

Description of types of financial liabilities	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amount not set off in financial instruments		
				Financial instruments	Cash collateral pledged	Net Amount
Derivative liabilities	\$ 3,710	\$ —	\$ 3,710	\$ (3,040)	\$ —	\$ 607
Total	\$ 3,710	\$ —	\$ 3,710	\$ (3,040)	\$ —	\$ 607

Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — other techniques for which all inputs have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 — techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.



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The assets and liabilities measured at fair value on a recurring basis as at March 31, 2017 are as follows:-

Description	March 31, 2017	Fair value measurement at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
<i>Financial assets at FVTPL</i>				
Foreign exchange contracts	\$ 5,041	\$ —	\$ 5,041	\$ —
Investment in FMPs	96	96	—	—
<i>Financial assets at fair value through other comprehensive income</i>				
Foreign exchange contracts	36,733	—	36,733	—
Interest rate swaps	208	—	208	—
Investments in marketable securities and mutual funds	87,652	87,223	429	—
Total assets	\$129,730	\$ 87,319	\$ 42,411	\$ —
Liabilities				
<i>Financial liabilities at FVTPL</i>				
Foreign exchange contracts	\$ 26	\$ —	\$ 26	\$ —
Contingent consideration	19,678	—	—	19,678
<i>Financial liabilities at fair value through other comprehensive income</i>				
Foreign exchange contracts	4,136	—	4,136	—
Interest rate swaps	621	—	621	—
Total liabilities	\$ 24,461	\$ —	\$ 4,783	\$ 19,678

Description of significant unobservable inputs to Level 3 valuation

The fair value of the contingent consideration liability was estimated using a probability weighted method and achievement of revenue target with a discount rate of 2.5%. One percentage point change in the unobservable inputs used in fair valuation of the contingent consideration does not have a significant impact on its value.



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The assets and liabilities measured at fair value on a recurring basis as at March 31, 2016 are as follows:-

Description	March 31, 2016	Fair value measurement at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
<i>Financial assets at FVTPL</i>				
Foreign exchange contracts	\$ 2,492	\$ —	\$ 2,492	\$ —
<i>Financial assets at fair value through other comprehensive income</i>				
Foreign exchange contracts	16,245	—	16,245	—
Investments in marketable securities	118,198	118,198	—	—
Total assets	\$136,935	\$ 118,198	\$ 18,737	\$ —
Liabilities				
<i>Financial liabilities at FVTPL</i>				
Foreign exchange contracts	\$ 870	\$ —	\$ 870	\$ —
<i>Financial liabilities at fair value through other comprehensive income</i>				
Foreign exchange contracts	2,840	—	2,840	—
Total liabilities	\$ 3,710	\$ —	\$ 3,710	\$ —

The fair value is estimated using discounted cash flow approach which involves assumptions and judgments regarding risk characteristics of the instruments, discount rates, future cash flows, foreign exchange spot, forward premium rates and market rates of interest. During the year ended March 31, 2017 and 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.



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Fair value on a non-recurring basis as at March 31, 2017

The non-recurring fair value measurement for the Auto Claim BPM CGU of \$38,492 (before cost of disposal of \$656) has been categorized as level 3 fair value based on the inputs to the valuation technique used (refer note 9).

Derivative financial instruments

The primary risks managed by using derivative instruments are foreign currency exchange risk and interest rate risk. Forward and option contracts up to 24 months on various foreign currencies are entered into to manage the foreign currency exchange rate risk on forecasted revenue denominated in foreign currencies and monetary assets and liabilities held in non-functional currencies. Interest rate swaps are entered to manage interest rate risk associated with the Company's floating rate borrowings. The Company's primary exchange rate exposure is with the US dollars and pound sterling against the Indian rupee. For derivative instruments which qualify for cash flow hedge accounting, the Company records the effective portion of gain or loss from changes in the fair value of the derivative instruments in other comprehensive income (loss), which is reclassified into earnings in the same period during which the hedged item affects earnings. Derivative instruments qualify for hedge accounting when the instrument is designated as a hedge; the hedged item is specifically identifiable and exposes the Company to risk; and it is expected that a change in fair value of the derivative instrument and an opposite change in the fair value of the hedged item will have a high degree of correlation. Determining the high degree of correlation between the change in fair value of the hedged item and the derivative instruments involves significant judgment including the probability of the occurrence of the forecasted transaction. When it is highly probable that a forecasted transaction will not occur, the Company discontinues the hedge accounting and recognizes immediately in the consolidated statement of income, the gains and losses attributable to such derivative instrument that were accumulated in other comprehensive income (loss).

The following table presents the notional values of outstanding foreign exchange forward contracts, foreign exchange option contracts and interest rate swap contracts:

	As at	
	March 31, 2017	March 31, 2016
Forward contracts (Sell)		
In US dollars	\$241,673	\$151,884
In United Kingdom Pound Sterling	126,441	148,386
In Euro	14,769	10,349
In Australian dollars	43,474	31,099
Others	3,511	4,682
	\$429,868	\$346,400
Option contracts (Sell)		
In US dollars	\$ 84,490	\$ 81,827
In United Kingdom Pound Sterling	94,094	103,863
In Euro	14,494	10,314
In Australian dollars	19,412	18,935
Others	1,978	2,412
	\$214,468	\$217,351
Interest Rate Swap contracts		
In US dollars	118,000	—

The amount of gain/(loss) reclassified from other comprehensive income into consolidated statement of income in respective line items for the years ended March 31, 2017, 2016 and 2015 are as follows:

	Year ended March 31,		
	2017	2016	2015
Revenue	\$ 7,952	\$ 7,941	\$ 4,347
Foreign exchange gain/(loss), net	16,896	6,281	3,399
Finance expense	(71)	—	—
Income tax related to amounts reclassified into consolidated statement of income	(8,998)	(5,230)	(2,764)
Total	\$15,779	\$ 8,992	\$ 4,982



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As at March 31, 2017, the gain amounting to \$17,694 on account of cash flow hedges in relation to forward and option contracts entered is expected to be reclassified from other comprehensive income into consolidated statement of income over a period of 24 months and loss amounting to \$346 on account of cash flow hedges in relation to interest rate swaps is expected to be reclassified from other comprehensive income into consolidated statement of income over a period of 60 months.

Due to the discontinuation of cash flow hedge accounting on account of non-occurrence of original forecasted transactions by the end of the originally specified time period, the Company recognized in the consolidated statement of income for the years ended March 31, 2017, 2016 and 2015 gains of \$666, \$125 and \$13, respectively.

Financial risk management

Financial risk factors

The Company’s activities expose it to a variety of financial risks: market risk, interest risk, credit risk and liquidity risk. The Company’s primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company’s exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Risk management procedures

The Company manages market risk through treasury operations. Senior management and Board of Directors approve the Company’s treasury operations’ objectives and policies. The activities of treasury operations include management of cash resources, implementation of hedging strategies for foreign currency exposures, implementation of borrowing strategies and monitoring compliance with market risk limits and policies. The Company’s foreign exchange committee, comprising the Chairman of the Board, Group Chief Executive Officer and Group Chief Financial Officer, is the approving authority for all hedging transactions.

Components of market risk

Exchange rate or currency risk:

The Company’s exposure to market risk arises principally from exchange rate risk. Although substantially all of revenue is denominated in pound sterling and US dollars, a significant portion of expenses for the year ended March 31, 2017 (net of payments to repair centers made as part of the Company’s WNS Auto Claims BPM segment) were incurred and paid in Indian rupees. The exchange rates among the Indian rupee, the pound sterling and the US dollar have changed substantially in recent years and may fluctuate substantially in the future. The Company hedges a portion of forecasted external and inter-company revenue denominated in foreign currencies with forward contracts and options.

Based upon the Company’s level of operations for the year ended March 31, 2017, a sensitivity analysis shows that a 10% appreciation or depreciation in the pound sterling against the US dollar would have increased or decreased, respectively, the Company’s revenue for the year ended March 31, 2017 by approximately \$22,924. Similarly, a 10% appreciation or depreciation in the Indian rupee against the US dollar would have increased or decreased, respectively, the Company’s expenses incurred and paid in Indian rupee for the year ended March 31, 2017 by approximately \$25,426.



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The foreign currency risk from non-derivative financial instruments as at March 31, 2017 is as follows:

	As at March 31, 2017						Total
	US Dollar	Pound Sterling	Indian Rupees	Australian Dollar	Euro	Other Currencies	
Cash and cash equivalents	\$ 599	253	—	2,606	1,323	35	4,816
Trade receivables	98,713	53,668	2,996	23,373	5,370	3,192	187,312
Unbilled revenue	4,656	1,241	—	3,062	3,205	494	12,658
Prepayments and other current assets	428	130	3	66	30	14	671
Other non-current assets	3	—	—	—	—	16	19
Trade payables	(40,600)	(71,039)	(3,986)	(19,205)	(1,140)	(312)	(136,282)
Provisions and accrued expenses	(1,706)	(504)	(105)	(128)	(68)	(208)	(2,719)
Pension and other employee obligations	(56)	—	—	—	(31)	(165)	(252)
Other liabilities	(5)	(2)	—	—	—	14	7
Net assets/ (liabilities)	\$ 62,032	(16,253)	(1,092)	9,774	8,689	3,080	66,230

The foreign currency risk from non-derivative financial instruments as at March 31, 2016 is as follows:

	As at March 31, 2016						Total
	US Dollar	Pound Sterling	Indian Rupees	Australian Dollar	Euro	Other Currencies	
Cash and cash equivalents	\$ 868	\$ 222	\$ —	\$ 856	\$ 430	\$ 203	\$ 2,579
Trade receivables	91,389	72,348	2,739	11,995	3,382	1,729	183,582
Unbilled revenue	4,508	(814)	—	2,788	2,294	420	9,196
Prepayments and other current assets	331	200	3	61	31	16	642
Other non-current assets	3	—	—	—	—	16	19
Trade payables	(51,270)	(19,809)	(4,284)	(7,866)	(1,083)	228	(84,084)
Provisions and accrued expenses	(1,932)	(513)	(100)	—	(445)	14	(2,976)
Pension and other employee obligations	1	—	—	—	(21)	(258)	(278)
Other liabilities	—	—	—	—	—	(2)	(2)
Net assets/ (liabilities)	\$ 43,898	\$ 51,634	\$(1,642)	\$ 7,834	\$ 4,588	\$ 2,366	\$108,678



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Other currencies reflect currencies such as Philippines Peso (PHP), Canadian Dollar (CAD), Polish Zloty (PLN), Sri Lankan Rupee (LKR), Romanian Leu (RON) and South African Rand (ZAR) etc.

As at March 31, 2017, every 5% appreciation or depreciation of the respective foreign currencies compared to the functional currency of the Company would impact the Company's profit before tax from operating activities by approximately \$2,779.

Interest rate risk: The Company's exposure to interest rate risk arises from borrowings which have a floating rate of interest, which is linked to the US dollar LIBOR. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. The costs of floating rate borrowings may be affected by the fluctuations in the interest rates. In connection with the term loan facilities entered in fiscal 2017, the Company entered into interest rate swap agreements with the banks in fiscal 2017. These swap agreements effectively convert the term loans from variable US dollar LIBOR interest rates to fixed rates, thereby managing the Company's exposure to changes in market interest rates under the term loans. The outstanding swap agreements as at March 31, 2017 aggregated \$118,000.

The Company monitors its positions and does not anticipate non-performance by the counterparties. The Company intends to selectively use interest rate swaps, options and other derivative instruments to manage exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a periodic basis. The Company does not enter into hedging agreements for speculative purposes.

Credit risk:

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the United Kingdom and the United States. Credit risk is managed through periodical assessment of the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. The credit risk on marketable securities, FMPs, mutual funds, bank deposits and derivative financial instruments is limited because the counterparties are banks and mutual funds with high credit-ratings assigned by international credit-rating agencies.



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The following table gives details in respect of the percentage of revenue generated from the Company's top customer and top five customers:

	Year Ended March 31,		
	2017	2016	2015
Revenue from top customer	9.0%	10.9%	13.4%
Revenue from top five customers	32.1%	30.7%	33.0%

Financial assets that are neither past due nor impaired

Cash equivalents, bank deposits, marketable securities and investments in mutual funds, investment in FMPs, unbilled revenue and other assets, are neither past due nor impaired except trade receivables as described below.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired, except for trade receivables, which forms part of the class "Loans and receivables." The Company's credit period generally ranges from 30-60 days. The age-wise break up of trade receivables, net of allowances that are past due beyond credit period, are as follows:

	As at	
	March 31, 2017	March 31, 2016
Neither past due nor impaired	\$ 45,939	\$ 43,771
Past due but not impaired		
Past due 0-30 days	8,260	7,995
Past due 31-60 days	2,544	1,006
Past due 61-90 days	1,174	928
Past due over 90 days	2,506	1,212
Past due and impaired	1,713	4,446
Total	\$ 62,136	\$ 59,358
Allowances for doubtful account receivables	\$ (1,713)	\$ (4,446)
Trade receivables, net of allowances for doubtful accounts receivable	\$ 60,423	\$ 54,912

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses and service financial obligations. In addition, the Company has concluded arrangements with well reputed banks and has unused lines of credit of \$77,548 as of March 31, 2017 that could be drawn upon should there be a need.



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The contractual maturities of financial liabilities are as follows:

	As at March 31, 2017			
	Less than 1 Year	1-2 years	2-5 years	Total
Long term debt (includes current portion) ⁽¹⁾	\$ 28,100	\$28,100	\$61,800	\$118,000
Trade payables	14,239	—	—	14,239
Provision and accrued expenses	27,217	—	—	27,217
Other liabilities	9,338	8,195	3,231	20,764
Other employee obligations	46,701	—	—	46,701
Derivative financial instruments	3,947	836	—	4,783
Total⁽²⁾	\$129,542	\$37,131	\$65,031	\$231,704

Notes:

- (1) Before netting off debt issuance cost of \$1,257.
- (2) Non-financial liabilities are explained in the financial instruments categories table above.

	As at March 31, 2016			
	Less than 1 Year	1-2 years	2-5 years	Total
Long term debt	\$ —	\$ —	\$ —	\$ —
Trade payables	19,862	—	—	19,862
Short term line of credit	—	—	—	—
Provision and accrued expenses	24,741	—	—	24,741
Other liabilities	231	—	—	231
Other employee obligations	39,604	—	—	39,604
Derivative financial instruments	3,259	451	—	3,710
Total⁽¹⁾	\$87,697	\$ 451	\$ —	\$88,148

Note:

- (1) Non-financial liabilities are explained in the financial instruments categories table above.

The balanced view of liquidity and financial indebtedness is stated in the table below. This calculation of the net cash position is used by the management:

	As at	
	March 31, 2017	March 31, 2016
Cash and cash equivalents	\$ 69,803	\$ 41,854
Investments	112,421	132,989
Long term debt (includes current portion) ⁽¹⁾	(118,000)	—
Net cash position	\$ 64,224	\$174,843

Note:

- (1) Before netting off debt issuance cost of \$ 1,257.



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14. Pension and other employee obligations

Pension and other employee obligations consist of the following:

	As at	
	March 31, 2017	March 31, 2016
Current:		
Salaries and bonus	\$ 46,701	\$ 39,522
Pension	770	746
Withholding taxes on salary and statutory payables	5,462	4,464
Other employee payables	—	82
Total	\$ 52,933	\$ 44,814
Non-current:		
Pension and other obligations	\$ 10,680	\$ 6,899
Total	\$ 10,680	\$ 6,899

Employee benefit costs consist of the following:

	Year ended March 31,		
	2017	2016	2015
Salaries and bonus	\$307,378	\$272,017	\$252,420
Employee benefit plans:			
Defined contribution plan	10,265	7,458	7,396
Defined benefit plan	2,639	2,184	1,874
Share-based compensation expense (Refer note 22)	23,036	17,919	9,499
Total	\$343,318	\$299,578	\$271,189

Employee benefit costs is recognized in the following line items in the consolidated statement of income:

	Year ended March 31,		
	2017	2016	2015
Cost of revenue	\$249,701	\$217,098	\$199,766
Selling and marketing expenses	24,717	22,336	23,073
General and administrative expenses	68,900	60,144	48,350
Total	\$343,318	\$299,578	\$271,189

Defined contribution plan

The Company's contributions to defined contribution plans are as follows:

	Year ended March 31,		
	2017	2016	2015
India	\$ 7,587	\$5,173	\$5,115
Philippines	106	83	63
South Africa	715	617	518
Sri Lanka	661	612	577
United Kingdom	780	681	831
United States	416	292	292
Total	10,265	7,458	7,396



WNS (HOLDINGS) LIMITED
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Defined benefit plan

The net periodic cost recognized by the Company in respect of gratuity payments under the Company's gratuity plans covering eligible employees of the Company in India, the Philippines and Sri Lanka is as follows:

	Year ended March 31,		
	2017	2016	2015
Service cost	\$2,188	\$1,765	\$1,351
Interest on the net defined benefit liability	451	419	523
Net gratuity cost	\$2,639	\$2,184	\$1,874

	As at	
	March 2017	March 2016
Change in projected benefit obligations		
Obligation at beginning of the year	\$ 8,450	\$ 7,322
Foreign currency translation	(30)	(404)
Service cost	2,188	1,765
Interest cost	513	475
Business combinations	95	—
Benefits paid	(1,283)	(871)
Actuarial (gain)/loss		
From changes in demographic assumptions	463	(75)
From changes in financial assumptions	(126)	166
From actual experience compared to assumptions	1,506	72
Benefit obligation at end of the year	\$ 11,776	\$ 8,450
Change in plan assets		
Plan assets at beginning of the year	\$ 849	\$ 756
Foreign currency translation	22	(42)
Expected return on plan assets	62	56
Actuarial gain	39	33
Actual contributions	1,148	881
Benefits paid	(1,144)	(835)
Plan assets at end of the year	\$ 976	\$ 849
Accrued pension liability		
Current	\$ 770	\$ 746
Non-current	10,030	6,856
Net amount recognized	\$ 10,800	\$ 7,602
Present value of funded defined benefit obligation	\$ 8,766	\$ 5,770
Fair value of plan assets	(976)	(849)
	7,790	4,921
Present value of unfunded defined benefit obligation	\$ 3,010	\$ 2,681
Weighted average duration of defined benefit obligation (both funded and unfunded)	8.30 years	8.17 years

Net amount recognized relating to the Company's India plan, Philippines plan and Sri Lanka plan was \$7,973, \$2,341 and \$486 as at March 31, 2017 and \$4,924, \$2,294 and \$384 as at March 31, 2016, respectively.



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The assumptions used in accounting for the gratuity plans are as follows:

	Year ended March 31,		
	2017	2016	2015
Discount rate:			
India	7.05%	7.35%	8.00%
Philippines	5.45%	4.75%	5.03%
Sri Lanka	12.8%	12.30%	9.85%
Rate of increase in compensation level	7% to 15%	6% to 8%	6% to 8%
Expected rate of return on plan assets	7.05%	7.35%	8.00%

The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rates are based on current market yields on government securities adjusted for a suitable risk premium to reflect the additional risk for high quality corporate bonds.

As at March 31, 2017, for each of the Company's defined benefit plans, the sensitivity of the defined benefit obligation to a change in each significant actuarial assumption is as follows:

	India	Philippines	Sri Lanka
Discount rate:			
Increase in discount rate by 1%	(4.1)%	(19.8)%	(6.1)%
Decrease in discount rate by 1%	4.9%	25.6%	6.9%
Rate of increase in compensation level:			
Increase in salary escalation rate by 1%	3.6%	24.3%	6.6%
Decrease in salary escalation rate by 1%	(3.4)%	(19.3)%	(5.8)%

Each sensitivity amount is calculated assuming that all other assumptions are held constant. The Company is not able to predict the extent of likely future changes in these assumptions, but based on past experience, the discount rate for each plan could change by up to 1% within a 12 month period.

As at March 31, 2017, \$4 and \$973 (\$3 and \$846 as at March 31, 2016) of the fund assets are invested with LIC and ALICPL, respectively. Of the funds invested with LIC, approximately 40% and 60% of the funds are invested in unquoted government securities and money market instruments, respectively. Of the funds invested with ALICPL, approximately 58% and 42% are invested in unquoted government securities and money market instruments, respectively. Since the Company's plan assets are managed by third party fund administrators, the contributions made by the Company are pooled with the corpus of the funds managed by such fund administrators and invested in accordance with regulatory guidelines. The Company's funding policy is to contribute to the Plan amounts necessary on an actuarial basis to, at a minimum, satisfy the minimum funding requirements. Additional discretionary contributions above the minimum funding requirement can be made and are generally based on adjustment for any over or under funding.

The expected benefits are based on the same assumptions used to measure the Company's defined benefit obligations as at March 31, 2017. The Company expects to contribute \$1,648 for the year ending March 31, 2018. The maturity analysis of the Company's defined benefit payments is as follows:

	Amount
2018	\$ 1,746
2019	1,772
2020	1,823
2021	1,922
2022	2,077
Thereafter	9,437
	<u>\$18,777</u>



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15. Provisions and accrued expenses

Provisions and accrued expenses consist of the following:

	As at	
	March 31, 2017	March 31, 2016
Provisions	\$ —	\$ —
Accrued expenses	27,217	24,741
Total	\$ 27,217	\$ 24,741

A summary of activity for provisions is as follows:

	As at	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	\$ —	\$ 753
Additional provision	—	—
Provision used	—	(751)
Translation adjustments	—	(2)
Balance at the end of the year	\$ —	\$ —

16. Deferred revenue

Deferred revenue consists of the following:

	As at	
	March 31, 2017	March 31, 2016
Current:		
Payments in advance of services	\$ 717	\$ 685
Advance billings	4,014	1,706
Others	747	533
Total	\$ 5,478	\$ 2,924

	As at	
	March 31, 2017	March 31, 2016
Non-current:		
Payments in advance of services	\$ 359	\$ 238
Others	19	18
Total	\$ 378	\$ 256



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17. Other liabilities

Other liabilities consist of the following:

	As at	
	March 31, 2017	March 31, 2016
Current:		
Withholding taxes and value added tax payables	\$ 5,356	\$ 3,801
Contingent consideration (Refer note 4(a), 4(b) and 4(c))	8,252	—
Deferred rent	677	547
Other liabilities	1,730	1,637
Total	\$ 16,015	\$ 5,985
Non-current:		
Deferred rent	\$ 5,292	\$ 4,162
Contingent consideration (Refer note 4(a), 4(b) and 4(c))	11,426	—
Other liabilities	1,751	374
Total	\$ 18,469	\$ 4,536

18. Share capital

As at March 31, 2017, the authorized share capital was £6,100 divided into 60,000,000 ordinary shares of 10 pence each and 1,000,000 preferred shares of 10 pence each. The Company had 50,012,559 ordinary shares (excluding 3,300,000 treasury shares) outstanding as at March 31, 2017. There were no preferred shares outstanding as at March 31, 2017.

As at March 31, 2016, the authorized share capital was £6,100 divided into 60,000,000 ordinary shares of 10 pence each and 1,000,000 preferred shares of 10 pence each. The Company had 51,306,304 ordinary shares (excluding 1,100,000 treasury shares) outstanding as at March 31, 2016. There were no preferred shares outstanding as at March 31, 2016.

Treasury shares

- (i) On March 16, 2016, the Company's shareholders authorized a share repurchase program for the repurchase of up to 3.3 million of the Company's American Depositary Shares (ADSs), each representing one ordinary share, at a price range of \$10 to \$50 per ADS. Pursuant to the terms of the repurchase program, the Company's ADSs may be purchased in the open market from time to time for 36 months from March 16, 2016, the date of shareholders' approval. The Company is not obligated under the repurchase program to repurchase a specific number of ADSs, and the repurchase program may be suspended at any time at the Company's discretion.

During the year ended March 31, 2017, the Company purchased 2,200,000 ADSs in the open market for a total consideration of \$64,224 (including transaction costs of \$33 for share repurchase of 2,200,000 ADSs, \$111 paid towards cancellation fees for ADSs in relation to share repurchase of 2,200,000 ADSs which was completed during the year ended March 31, 2017, and \$55 paid towards cancellation fees for ADSs in relation to share repurchase of 1,100,000 ADSs, which was completed during the year ended March 31, 2016). The shares underlying these purchased ADSs are recorded as treasury shares.

- (ii) In March 2015, the Company's shareholders authorized a share repurchase program for the repurchase of up to 1,100,000 of the Company's ADSs, each representing one ordinary share, at a price range of \$10 to \$30 per ADS.

During the year ended March 31, 2016, the Company completed the repurchase of 1,100,000 ADSs in the open market for a total consideration of \$30,461 (including transaction cost of \$50 for share repurchase of 1,100,000 ADSs). The shares underlying these purchased ADSs are recorded as treasury shares.



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19. Expenses by nature

Expenses by nature consist of the following:

	Year ended March 31,		
	2017	2016	2015
Employee cost	\$343,318	\$299,578	\$271,189
Repair payments	24,102	31,170	30,877
Facilities cost	75,383	67,689	70,801
Depreciation	16,903	15,435	14,387
Legal and professional expenses	15,902	13,227	13,108
Travel expenses	18,563	17,972	15,806
Others	33,526	30,035	27,633
Total cost of revenue, selling and marketing and general and administrative expenses	\$527,697	\$475,106	\$443,801

20. Finance expense

Finance expense consists of the following:

	Year ended March 31,		
	2017	2016	2015
Interest expense	\$424	\$265	\$1,251
Interest rate swaps	71	—	—
Debt issue cost	52	13	81
Total	\$547	\$278	\$1,332

21. Other income, net

Other income, net consists of the following:

	Year ended March 31,		
	2017	2016	2015
Interest income	\$2,083	\$1,197	\$ 389
Dividend income	4,131	5,039	4,396
Net gain arising on financial assets designated as FVTPL	6	41	4,553
Others, net	2,469	2,217	2,574
Total	\$8,689	\$8,494	\$11,912



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22. Share-based payments

The Company has three share-based incentive plans: the 2002 Stock Incentive Plan adopted on July 1, 2002 (which has expired), the 2006 Incentive Award Plan adopted on June 1, 2006, as amended and restated in February 2009, September 2011 and September 2013 (which has expired), and the 2016 Incentive Award Plan effective from September 27, 2016 (collectively referred to as the “Plans”). Under the Plans, share-based options and RSUs may be granted to eligible participants. Options and RSUs are generally granted for a term of ten years and have a graded vesting period of up to three years. The Company settles employee share-based option exercises with newly issued ordinary shares. As at March 31, 2017, the Company had 3,559,498 ordinary shares available for future grants.

Share-based compensation expense during the years ended March 31, 2017, 2016 and 2015 are as follows:

	Year ended March 31,		
	2017	2016	2015
Share-based compensation expense recorded in	\$	\$	\$
Cost of revenue	2,765	1,923	856
Selling and marketing expenses	1,723	1,370	779
General and administrative expenses	18,548	14,626	7,864
Total share-based compensation expense	\$23,036	\$17,919	\$9,499

Upon exercise of share options and RSUs, the Company issued 906,255; 455,642; and 603,124 shares during the years ended March 31, 2017, 2016 and 2015, respectively.



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Share-based options

Movements in the number of options outstanding under the 2006 Incentive Award Plan and their related weighted average exercise prices are as follow:

	Shares	Weighted average exercise price	Weighted average remaining contract term (in years)	Aggregate intrinsic value
Outstanding as at March 31, 2015	816,286	\$ 22.80	1.53	\$ 2,407
Exercised	(76,667)	10.50		
Lapsed	(1)	5.65		
Outstanding as at March 31, 2016	739,618	\$ 23.34	0.54	\$ 5,419
Exercised	(425,941)	10.52		
Lapsed	(196,498)	13.44		
Outstanding as at March 31, 2017	117,179	27.25	0.10	163
Options exercisable	117,179	\$ 27.25	0.10	\$ 163

The aggregate intrinsic value of options exercised during the year ended March 31, 2017, 2016 and 2015 was \$2,697, \$856 and \$306, respectively. The total grant date fair value of options vested during the year ended March 31, 2017, 2016 and 2015 was \$Nil for each year. Total cash received as a result of options exercised during the year ended March 31, 2017, 2016 and 2015 was \$8,941, \$1,302 and \$535, respectively.

The fair value of options granted is estimated on the date of grant using the Black-Scholes-Merton option-pricing model. No options were granted during the years ended March 31, 2017, 2016 and 2015.

The weighted average share price of options exercised during the year ended March 31, 2017, 2016 and 2015 was \$27.46, \$28.19 and \$21.13 respectively. The options outstanding at March 31, 2017 had an exercise price per option in the range of \$15.68 to \$29.21 (March 31, 2016: \$15.68 to \$35.3) and a weighted average remaining contractual term of 0.10 years (March 31, 2016: 0.54 years)

Restricted Share Units

The 2006 Incentive Award Plan and the 2016 Incentive Award Plan also allow for grant of RSUs. Each RSU represents the right to receive one ordinary share and vests over a period of up to three years.

(i) Movements in the number of RSUs dependent on non-market performance condition outstanding under the 2006 Incentive Award Plan and the 2016 Incentive Award Plan and their related weighted average fair values are as follow:

	Shares	Weighted average fair value	Weighted average remaining contract term (in years)	Aggregate intrinsic value
Outstanding as at March 31, 2015	1,323,498	\$ 15.37	7.86	\$ 32,187
Granted	592,348	25.16		
Exercised	(360,900)	14.07		
Forfeited	(15,920)	21.41		
Lapsed	—	—		
Outstanding as at March 31, 2016	1,539,026	\$ 19.38	7.82	\$ 47,156
Granted	516,264	30.26		
Exercised	(343,623)	20.18		
Forfeited	(47,707)	25.50		
Lapsed	—	—		
Outstanding as at March 31, 2017	1,663,960	22.41	7.50	47,606
RSUs exercisable	728,722	\$ 17.72	6.28	\$ 20,849



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WNS HOLDINGS LIMITED
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The fair value of RSUs is generally the market price of the Company's shares on the date of grant. As at March 31, 2017, there was \$7,522 of unrecognized compensation cost related to unvested RSUs. This amount is expected to be recognized over a weighted average period of 2.7 years. To the extent the actual forfeiture rate is different than what the Company has anticipated, share-based compensation expense related to these RSUs will be different from the Company's expectations.

The weighted average grant date fair value of RSUs granted during the year ended March 31, 2017, 2016 and 2015 was \$30.26, \$25.16, and \$19.19 per ADS, respectively. The aggregate intrinsic value of RSUs exercised during the year ended March 31, 2017, 2016 and 2015 was \$9,991, \$10,294 and \$9,529, respectively. The total grant date fair value of RSUs vested during the year ended March 31, 2017, 2016 and 2015 was \$14,631, \$6,824 and \$5,878, respectively.

The weighted average share price of RSU exercised during the year ended March 31, 2017, 2016 and 2015 was \$29.08, \$28.52 and \$18.46, respectively.

- (ii) The 2006 Incentive Award Plan and the 2016 Incentive Award Plan also allow for grant of RSUs based on the market price of the Company's shares achieving a specified target over a period of time. The fair value of market-based share awards is determined using Monte-Carlo simulation.

Movements in the number of RSUs dependent on market performance condition outstanding under the 2006 Incentive Award Plan and the 2016 Incentive Award Plan and their related weighted average fair values are as follows:

	Shares	Weighted average fair value	Weighted average remaining contract term (in years)	Aggregate intrinsic value
Outstanding as at March 31, 2015	70,551	\$ 2.82	9.09	\$ 1,716
Granted	59,039	6.37		
Exercised	—	—		
Forfeited	—	—		
Lapsed	—	—		
Outstanding as at March 31, 2016	129,590	\$ 4.44	8.53	\$ 3,971
Granted	74,400	12.56		
Exercised	—	—		
Forfeited	—	—		
Lapsed	—	—		
Outstanding as at March 31, 2017	203,990	13.21	8.10	5,836
RSUs exercisable	—	\$ —	—	\$ —

On March 15, 2017, the Company modified the vesting period in respect of the RSUs as below:

- a. for RSUs granted in April 2014, the vesting date has been extended to the fifth anniversary of the grant date (i.e. April 2019)
- b. for RSUs granted in April 2015, the vesting date has been extended to the fourth anniversary of the grant date (i.e. April 2019)
- c. for RSUs granted in April 2016, the vesting date has been extended to the fourth anniversary of the grant date (i.e. April 2020)

Subsequent vesting of RSUs for each of the remaining years would be subject to continued employment.



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The incremental fair value was determined using Monte-Carlo simulation by reference to the difference between fair value of original RSUs as of modification date and the fair value of modified RSUs as of modification date. The additional cost as a result of such modification in respect of modified share awards amounted to \$ 1,185. The additional cost is spread over the period from the modification date until the vesting date of the modified award, which differ from the vesting date of the original award. The incremental cost recognized in the current year in respect of such modified options amounted to \$24.

As at March 31, 2017, there was \$ 1,848 of unrecognized compensation cost related to unvested market based RSUs. This amount is expected to be recognized over a weighted average period of 2.2 years. The weighted average grant date fair value of the RSUs granted during the years ended March 31, 2017, 2016 and 2015 was \$12.56, \$6.37 and \$2.82 per ADS, respectively.

Performance share units

The 2006 Incentive Award Plan and 2016 Incentive Award Plan also allow for grant of performance share units (“PSUs”). Each PSU represents the right to receive one ordinary share-based on the Company’s performance against specified non-market performance condition and vests over a period of three years.

Movements in the number of PSUs outstanding under the 2006 Incentive Award Plan and the 2016 Incentive Award Plan and their related weighted average fair values are as follow:

	Shares	Weighted average fair value	Weighted average remaining contract term (in years)	Aggregate intrinsic value
Outstanding as at March 31, 2015	559,570	\$ 14.98	8.16	\$ 13,609
Granted	466,417	20.12		
Exercised	(18,077)	9.54		
Forfeited	(56,322)	10.53		
Outstanding as at March 31, 2016	951,588	\$ 17.83	7.77	\$ 29,157
Granted	422,062	31.12		
Exercised	(141,741)	14.11		
Forfeited	(47,057)	26.27		
Outstanding as at March 31, 2017	1,184,852	21.00	7.36	33,899
PSUs exercisable	308,173	\$ 14.65	6.02	\$ 8,817

The fair value of PSUs is generally the market price of the Company’s shares on the date of grant, and assumes that performance targets will be achieved. As at March 31, 2017, there was \$10,793 of unrecognized compensation cost related to unvested PSUs, net of forfeitures. This amount is expected to be recognized over a weighted average period of 2.4 years. Over the performance period, the number of shares that will be issued will be adjusted upward or downward based upon the probability of achievement of the performance targets. The ultimate number of shares issued and the related compensation cost recognized as expense will be based on a comparison of the final performance metrics to the specified targets.

The weighted average grant date fair value of PSUs granted during the years ended March 31, 2017, 2016 and 2015 was \$31.12, \$20.12, and \$19.02 per ADS, respectively. The aggregate intrinsic value of PSUs exercised during the year ended March 31, 2017, 2016 and 2015 was \$4,237, \$532 and \$ 1,000, respectively. The total grant date fair value of PSUs vested during the year ended March 31, 2017, 2016 and 2015 was \$6,280, \$Nil and \$388, respectively.

The weighted average share price of PSU exercised during the year ended March 31, 2017, 2016 and 2015 was \$29.89, \$29.45 and \$21.23, respectively.



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23. Income taxes

The domestic and foreign source component of profit / (loss) before income taxes is as follows:

	Year ended March 31,		
	2017	2016	2015
Domestic	\$ (5,342)	\$ (4,121)	\$ (3,351)
Foreign	60,635	85,181	84,382
Profit before income taxes	\$55,293	\$81,060	\$81,031

The Company's provision for income taxes consists of the following:

	Year ended March 31,		
	2017	2016	2015
Current taxes			
Domestic taxes	\$ —	\$ —	\$ —
Foreign taxes	25,785	19,615	16,914
	<u>25,785</u>	<u>19,615</u>	<u>16,914</u>
Deferred taxes			
Domestic taxes	—	—	—
Foreign taxes	(8,255)	1,565	5,503
	<u>(8,255)</u>	<u>1,565</u>	<u>5,503</u>
Provision for income taxes	\$17,530	\$21,180	\$22,417

Domestic taxes are nil as the Company is subject to income tax in Jersey, Channel Islands at a rate of 0%. Foreign taxes are based on applicable tax rates in each subsidiary's jurisdiction.

The Company has a delivery center located in Gurgaon, India registered under the Special Economic Zone ("SEZ") scheme, and is eligible for 50% income tax exemption from fiscal 2013 to fiscal 2022. The Company in fiscal 2012 started operations in delivery centers in Pune, Mumbai and Chennai, India registered under the SEZ scheme which was eligible for 100% income tax exemption until fiscal 2016 and is eligible for a 50% income tax exemption from fiscal 2017 to fiscal 2026. During fiscal 2015, the Company started its operations in new delivery centers in Gurgaon and Pune, India registered under the SEZ scheme that are eligible for 100% income tax exemption until fiscal 2019, and 50% income tax exemption from fiscal 2020 to fiscal 2029. The Government of India pursuant to the Indian Finance Act, 2011 has also levied a minimum alternate tax ("MAT") on the book profits earned by the SEZ units at the prevailing rate which is currently 21.34%. The Company's operations in Costa Rica are eligible for a 100% income tax exemption until fiscal 2017 and 50% income tax exemption from fiscal 2018 to fiscal 2021. The Company's operations in one of the units located in the Philippines were eligible for tax exemptions which expired in fiscal 2016. During fiscal 2013, the Company started operations in delivery center in Techno Plaza II, Manila which was eligible for tax exemption which expired in fiscal 2017. During fiscal 2016, the Company started its operations in new delivery center in the Philippines which is eligible for tax exemption until fiscal 2020. During fiscal 2017, the Company opened two additional delivery centers in Iloilo, Manila and Alabang, Philippines which are eligible for 100% tax exemption until fiscal 2021. The Government of Sri Lanka has exempted the profits earned from export revenue from tax, which enables the Company's Sri Lankan subsidiary to continue to claim a tax exemption.

If the income tax exemption was not available, the additional income tax expense at the respective statutory rates in India, Sri Lanka and Philippines would have been approximately \$5,171, \$5,072 and \$3,011 for the years ended March 31, 2017, 2016 and 2015, respectively. Such additional tax would have decreased the basic and diluted earnings per share for the year ended March 31, 2017 by \$0.10 and \$0.10, respectively (\$0.10 and \$0.09, respectively for the year ended March 31, 2016 and \$0.06 and \$0.06, respectively, for the year ended March 31, 2015).



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Income taxes recognized directly in equity are as follows:

	Year ended March 31,		
	2017	2016	2015
Current taxes:			
Excess tax deductions related to share-based payments	(270)	(229)	(99)
	<u>\$ (270)</u>	<u>\$ (229)</u>	<u>\$ (99)</u>
Deferred taxes:			
Excess tax deductions related to share-based payments	715	(688)	(169)
	<u>\$ 715</u>	<u>\$ (688)</u>	<u>\$ (169)</u>
Total income tax recognized directly in equity	<u>\$ 445</u>	<u>\$ (917)</u>	<u>\$ (268)</u>

Income taxes recognized in other comprehensive income are as follows:

	Year ended March 31,		
	2017	2016	2015
Current taxes	—	—	—
Deferred taxes:			
Unrealized gain/(loss) on cash flow hedging derivatives	6,921	(4,259)	8,242
Total income tax recognized directly in other comprehensive income	<u>\$ 6,921</u>	<u>\$ (4,259)</u>	<u>\$ 8,242</u>

The reconciliation of estimated income tax to provision for income taxes:

	Year ended March 31,		
	2017	2016	2015
Profit before income taxes	\$55,293	\$81,060	\$81,031
Income tax expense at tax rates applicable to individual entities	21,765	28,067	26,749
Effect of:			
Items not deductible for tax	455	771	228
Exempt income	(7,706)	(6,845)	(5,228)
Non tax deductible goodwill impairment	4,335	—	—
(Gain)/Loss in respect of which deferred tax (liability)/asset not recognized due to uncertainty and ineligibility to carry forward	(105)	259	318
Recognition of unutilized tax benefits / Unrecognized losses utilized	(1,220)	(294)	—
Temporary difference that will reverse during tax holiday period	1,580	30	1,175
Change in tax rate and law	78	(152)	268
Provision for uncertain tax position	(1,499)	2	(345)
State taxes	14	12	17
Others, net	(167)	(670)	(765)
Provision for income taxes	<u>\$17,530</u>	<u>\$21,180</u>	<u>\$22,417</u>



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Deferred taxes for the year ended March 31, 2017 arising from temporary differences and unused tax losses can be summarized below:

	Opening balance	Additions due to acquisition during the year	Recognized in statement of income	Recognized in equity	Recognized in/ Reclassified from other comprehensive income	Foreign currency translation	Closing balance
Deferred tax assets:							
Property and equipment	\$ 5,512	\$ (873)	\$ 932	\$ —	\$ —	\$ 77	\$ 5,648
Net operating loss carry forward	3,684	—	2,026	—	—	12	5,722
Accruals deductible on actual payment	5,352	70	(1)	—	—	220	5,641
Share-based compensation expense	11,008	—	1,781	(715)	—	190	12,264
Minimum alternate tax	68	—	96	—	—	3	167
Others	362	—	679	—	—	(66)	975
Total deferred tax assets	\$25,986	\$ (803)	\$ 5,513	\$ (715)	\$ —	\$ 436	\$30,417
Deferred tax liabilities:							
Intangibles	(712)	24,577	(2,769)	—	—	27	21,123
Unrealized gain/(loss) on cash flow hedging and investments	4,857	—	27	—	6,921	489	12,294
Others	1,108	—	—	—	—	5	1,113
Total deferred tax liabilities	\$ 5,253	\$ 24,577	\$ (2,742)	\$ —	\$ 6,921	\$ 521	\$34,530
Net deferred tax assets/ (liabilities)	\$20,733	\$ (25,380)	\$ 8,255	\$ (715)	\$ (6,921)	\$ (85)	\$ (4,113)



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Deferred taxes for the year ended March 31, 2016 arising from temporary differences and unused tax losses can be summarized below:

	Opening balance	Additions due to acquisition during the year	Recognized in statement of income	Recognized in equity	Recognized in/ Reclassified from other comprehensive income	Foreign currency translation	Closing balance
Deferred tax assets:							
Property and equipment	\$ 6,538	\$ —	\$ (724)	\$ —	\$ —	\$ (302)	\$ 5,512
Net operating loss carry forward	4,304	—	(448)	—	—	(172)	3,684
Accruals deductible on actual payment	4,201	—	1,443	—	—	(292)	5,352
Share-based compensation expense	6,110	—	4,480	688	—	(270)	11,008
Minimum alternate tax	8,327	—	(7,941)	—	—	(318)	68
Others	1,444	—	(1,179)	—	—	97	362
Total deferred tax assets	\$30,924	\$ —	\$ (4,369)	\$ 688	\$ —	\$ (1,257)	\$25,986
Deferred tax liabilities:							
Intangibles	2,045	837	(3,477)	—	—	(118)	(712)
Unrealized gain/(loss) on cash flow hedging and investments	9,821	—	(436)	—	(4,259)	(269)	4,857
Others	—	—	1,108	—	—	—	1,108
Total deferred tax liabilities	\$11,866	\$ 837	\$ (2,804)	\$ —	\$ (4,259)	\$ (387)	\$ 5,253
Net deferred tax assets/(liabilities)	\$19,058	\$ (837)	\$ (1,565)	\$ 688	\$ 4,259	\$ (870)	\$20,733



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Deferred taxes for the year ended March 31, 2015 arising from temporary differences and unused tax losses can be summarized below:

	Opening balance	Additions due to acquisition during the year	Recognized in statement of income	Recognized in equity	Recognized in/Reclassified from other comprehensive income	Foreign currency translation	Closing balance
Deferred tax assets:							
Property and equipment	\$ 8,280	\$ —	\$ (1,386)	\$ —	\$ —	\$ (356)	\$ 6,538
Net operating loss carry forward	4,363	—	246	—	—	(305)	4,304
Accruals deductible on actual payment	3,720	—	639	—	—	(158)	4,201
Share-based compensation expense	5,356	—	803	169	—	(218)	6,110
Minimum alternate tax	15,289	—	(6,405)	—	—	(557)	8,327
Others	1,710	—	(160)	—	—	(106)	1,444
Total deferred tax assets	\$38,718	\$ —	\$ (6,263)	\$ 169	\$ —	\$ (1,700)	\$30,924
Deferred tax liabilities:							
Intangibles	4,886	—	(2,751)	—	—	(90)	2,045
Unrealized gain/(loss) on cash flow hedging and investments	(285)	—	1,991	—	8,242	(127)	9,821
Total deferred tax liabilities	\$ 4,601	\$ —	\$ (760)	\$ —	\$ 8,242	\$ (217)	\$11,866
Net deferred tax assets/(liabilities)	\$34,117	\$ —	\$ (5,503)	\$ 169	\$ (8,242)	\$ (1,483)	\$19,058



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Deferred tax presented in the statement of financial position is as follows:

	As at	
	March 31, 2017	March 31, 2016
Deferred tax assets	16,687	22,522
Deferred tax liabilities	(20,800)	(1,789)
Net deferred tax assets	\$ (4,113)	\$ 20,733

There are unused tax losses amounting to \$21,976 as at March 31, 2017 for which no deferred tax asset has been recognized as these losses relate to a tax jurisdiction where the group entity has had past losses and there is no conclusive evidence to support the view that sufficient taxable profit will be generated by such group entity in the future to offset such losses. The expiry dates of the tax benefit for these losses depend on the local tax laws of the jurisdiction and, if not utilized, would expire on various dates starting from financial year 2018 to 2022.

Deferred income tax liabilities on earnings of Company's subsidiaries have not been provided as such earnings are deemed to be permanently reinvested in the business and the Company is able to control the timing of the reversals of temporary differences associated with these investments. Accordingly, temporary difference on which deferred tax liability has not been recognized amounts to \$401,857, \$301,043 and \$233,214 as at March 31, 2017, 2016 and 2015, respectively.



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From time to time, the Company receives orders of assessment from the Indian tax authorities assessing additional taxable income on the Company and/or its subsidiaries in connection with their review of their tax returns. The Company currently has orders of assessment outstanding for various years through fiscal 2013, which assess additional taxable income that could in the aggregate give rise to an estimated \$37,085 in additional taxes, including interest of \$13,744. These orders of assessment allege that the transfer prices the Company applied to certain of the international transactions between WNS Global and its other wholly-owned subsidiaries were not on arm's length terms, disallow a tax holiday benefit claimed by the Company, deny the set off of brought forward business losses and unabsorbed depreciation and disallow certain expenses claimed as tax deductible by WNS Global. The Company has appealed against these orders of assessment before higher appellate authorities.

In addition, the Company has orders of assessment pertaining to similar issues that have been decided in favor of the Company by first level appellate authorities, vacating the tax demands of \$44,573 in additional taxes, including interest of \$13,740. The income tax authorities have filed appeals against these orders at higher appellate authorities.

Uncertain tax positions are reflected at the amount likely to be paid to the taxation authorities. A liability is recognized in connection with each item that is not probable of being sustained on examination by taxing authority. The liability is measured using single best estimate of the most likely outcome for each position taken in the tax return. Thus the provision would be the aggregate liability in connection with all uncertain tax positions. As of March 31, 2017, the Company has provided a tax reserve of \$12,432 primarily on account of the Indian tax authorities' denying the set off of brought forward business losses and unabsorbed depreciation.

As at March 31, 2017, corporate tax returns for years ended March 31, 2014 (for certain legal entities) and onward remain subject to examination by tax authorities in India.

Based on the facts of these cases, the nature of the tax authorities' disallowances and the orders from first level appellate authorities deciding similar issues in favor of the Company in respect of assessment orders for earlier fiscal years and after consultation with the Company's external tax advisors, the Company believe these orders are unlikely to be sustained at the higher appellate authorities. The Company has deposited \$12,031 of the disputed amounts with the tax authorities and may be required to deposit the remaining portion of the disputed amounts with the tax authorities pending final resolution of the respective matters.

Others

On March 21, 2009, the Company received an assessment order from the Indian service tax authority, demanding payment of \$5,368 of service tax and related penalty for the period from March 1, 2003 to January 31, 2005. The assessment order alleges that service tax is payable in India on BPM services provided by the Company to clients based abroad as the export proceeds are repatriated outside India by the Company. In response to the appeal filed by the Company with appellate tribunal against the assessment order in April 2009, the appellate tribunal has remanded the matter back to lower tax authorities to be adjudicated afresh. After consultation with Indian tax advisors, the Company believes this order of assessment is more likely than not to be upheld in favor of the Company. The Company intends to continue to vigorously dispute the assessment.



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24. Earnings per share

The following table sets forth the computation of basic and diluted earnings per share:

	Year ended March 31,		
	2017	2016	2015
Numerator:			
Profit	\$ 37,763	\$ 59,880	\$ 58,614
Denominator:			
Basic weighted average ordinary shares outstanding	50,582,852	51,372,117	51,633,516
Dilutive impact of equivalent stock options and RSUs	2,357,456	2,267,553	1,795,465
Diluted weighted average ordinary shares outstanding	52,940,308	53,639,670	53,428,981

The computation of earnings per ordinary share (“EPS”) was determined by dividing profit by the weighted average ordinary shares outstanding during the respective periods.

The Company excludes options with exercise prices that are greater than the average market price from the calculation of diluted EPS because their effect would be anti-dilutive. In the years ended March 31, 2017, 2016 and 2015, the Company excluded from the calculation of diluted EPS options to purchase 5,200; 46,033; and 314,454 shares, respectively.



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25. Related party

The following is a list of the Company's subsidiaries as at March 31, 2017:

<u>Direct subsidiaries</u>	<u>Step subsidiaries</u>	<u>Place of incorporation</u>
WNS Global Services Netherlands Cooperatief U.A.		The Netherlands
	WNS Global Services Philippines Inc.	Philippines
	WNS Global Services (Romania) S.R.L.	Romania
WNS North America Inc.		Delaware, USA
	WNS Business Consulting Services Private Limited	India
	WNS Global Services Inc.	Delaware, USA
	WNS BPO Services Costa Rica, S.R.L	Costa Rica
	Denali Sourcing Services Inc. (1)	Delaware, USA
WNS Global Services (UK) Limited (2)		United Kingdom
	WNS Global Services SA (Pty) Limited	South Africa
	- Ucademy (Pty) Limited (3)	South Africa
WNS Assistance Limited (previously WNS Workflow Technologies Limited)		United Kingdom
	WNS Assistance (Legal) Limited (4)	United Kingdom
	Accidents Happen Assistance Limited	United Kingdom
	WNS Legal Assistance LLP (5)	United Kingdom
WNS (Mauritius) Limited		Mauritius
	WNS Capital Investment Limited	Mauritius
	- WNS Customer Solutions (Singapore) Private Limited	Singapore
	-WNS Global Services (Australia) Pty Ltd	Australia
	-Business Applications Associates Beijing Ltd	China
	WNS Global Services Private Limited (6)	India
	- MTS HealthHelp Inc. (7)	Delaware, USA
	- HealthHelp Holdings LLC (7)	Delaware, USA
	- HealthHelp LLC (7)	Delaware, USA
	- Value Edge Research Services Private Limited (8)	India
	- Value Edge Inc. (8)	Delaware, USA
	- Value Edge AG. (8)	Switzerland
	- Value Edge GmbH (8)	Germany
	WNS Global Services (Private) Limited	Sri Lanka
	WNS Global Services (Dalian) Co. Ltd.	China



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Notes:

- (1) On January 20, 2017, the Company acquired all outstanding equity shares of Denali Sourcing Services Inc.
- (2) WNS Global Services (UK) is being jointly held by WNS Holdings Limited and WNS Global Services Private Limited. The percentage of holding for WNS Holdings Limited is 64.0% and for WNS Global Services Private Limited is 36.0%.
- (3) Ucademy (Pty) Limited has been incorporated as a subsidiary of WNS Global Services SA (Pty) Limited with effect from June 20, 2016.
- (4) WNS Assistance (Legal) Limited, a wholly owned subsidiary of WNS Assistance Limited, was incorporated on April 20, 2016.
- (5) All the above subsidiaries are wholly owned except WNS Legal Assistance LLP, a limited liability partnership, organized under the laws of England and Wales in November 2014. WNS Legal Assistance LLP provides legal services in relation to personal injury claims within the Auto Claims BPM (as defined in Note 26) segment in the UK. WNS Legal Assistance LLP is 79% owned by WNS Assistance Limited, 1% owned by WNS Assistance (Legal) Limited and 20% owned by Prettys Solicitors LLP, UK.
- (6) WNS Global Services Private Limited is being held jointly by WNS (Mauritius) Limited and WNS Customer Solutions (Singapore) Private Limited. The percentage of holding for WNS (Mauritius) Limited is 80% and for WNS Customer Solutions (Singapore) Private Limited is 20%.
- (7) On March 15, 2017, the Company acquired all ownership interests of MTS HealthHelp Inc. and its subsidiaries, which existed on that date. HealthHelp Holdings LLC is 63.5% owned by MTS HealthHelp Inc. and 36.5% owned by WNS North America Inc.
- (8) On June 14, 2016, the Company acquired all outstanding equity shares of Value Edge Research Services Private Limited. As part of the acquisition, the Company also acquired the three subsidiaries of Value Edge Research Services Private Limited, which existed on that date.



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<u>Name of the related party</u>	<u>Relationship</u>
Acumentor Inc. (w.e.f. April 1, 2014)	An entity of which a member of key management is the sole proprietor
Razmatazz Events	A company which a close relative of the member of key management owns and controls
Surface Architectural Supply Inc. (w.e.f. September 1, 2014)	A company in which a member of key management has a controlling stake
J F Fitness of North America (w.e.f. September 1, 2014)	A company in which a member of key management has a controlling stake
Sheron LLC (w.e.f. April 1, 2014)	A company which a close relative of the member of key management owns and controls
<u>Key management personnel</u>	
Adrian T. Dillon	Chairman (Appointed as Chairman effective January 1, 2014, was Non-Executive Vice Chairman till December 31, 2013)
Keshav R. Murugesh	Director and Group Chief Executive Officer
Jeremy Young (Ceased to be director from September 29, 2015)	Director
Renu S. Karnad	Director
Eric B. Herr (Ceased to be director from April 30, 2014)	Director (Ceased to be Chairman from January 1, 2014)
Anthony A. Greener (Ceased to be director from September 27, 2016)	Director
Albert Aboody	Director
Swaminathan Rajamani	Chief People Officer
Ronald Gillette	Chief Operating Officer
Sanjay Puria	Group Chief Financial Officer
Gareth Williams	Director
Michael Menezes	Director
John Freeland (Appointed on September 1, 2014)	Director
Francoise Gri (Appointed on May 6, 2015)	Director



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<u>Nature of transaction with related parties</u>	Year ended March 31,		
	2017	2016	2015
<u>Key management personnel*</u>			
Remuneration and short-term benefits	4,592	4,671	3,763
Defined contribution plan	89	84	82
Other benefits	15	14	14
Share-based compensation expense	13,347	8,674	5,759

* Defined benefit plan is not disclosed as these are determined for the Company as a whole.



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26. Operating segments

The Company has several operating segments based on a mix of industry and the types of services. The composition and organization of these operating segments currently is designed in such a way that the back office shared processes, i.e. the horizontal structure, delivers service to industry specific back office and front office processes i.e. the vertical structure. These structures represent a matrix form of organization structure, accordingly operating segments have been determined based on the core principle of segment reporting in accordance with IFRS 8 “Operating segments” (“IFRS 8”). These operating segments include travel, insurance, banking and financial services, healthcare, utilities, retail and consumer products groups, auto claims and others. The Company believes that the business process outsourcing services that it provides to customers in industries other than auto claims such as travel, insurance, banking and financial services, healthcare, utilities, retail and consumer products groups and others that are similar in terms of services, service delivery methods, use of technology, and long-term gross profit and hence meet the aggregation criteria in accordance with IFRS 8. WNS Assistance and Accidents Happen Assistance Limited (which provide automobile repair through a network of third party repair centers), and WNS Legal Assistance LLP (which provides legal services in relation to personal injury claims), which constitute WNS Auto Claims BPM, do not meet the aggregation criteria. Accordingly, the Company has determined that it has two reportable segments “WNS Global BPM” and “WNS Auto Claims BPM.”

The Group Chief Executive Officer has been identified as the Chief Operating Decision Maker (“CODM”). The CODM evaluates the Company’s performance and allocates resources based on revenue growth of vertical structure.

In order to provide accident management services, the Company arranges for the repair through a network of repair centers. Repair costs paid to automobile repair centers are invoiced to customers and recognized as revenue except in cases where the Company has concluded that it is not the principal in providing claims handling services and hence it would be appropriate to record revenue from repair services on a net basis i.e. net of repair cost. The Company uses revenue less repair payments (non-GAAP) for “Fault” repairs as a primary measure to allocate resources and measure segment performance. Revenue less repair payments is a non-GAAP measure which is calculated as (a) revenue less (b) in the Company’s auto claims business, payments to repair centers for “Fault” repair cases where the Company acts as the principal in its dealings with the third party repair centers and its clients. For “Non-fault repairs,” revenue including repair payments is used as a primary measure. As the Company provides a consolidated suite of accident management services including credit hire and credit repair for its “Non-fault” repairs business, the Company believes that measurement of that line of business has to be on a basis that includes repair payments in revenue.



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The segment results for the year ended March 31, 2017 are as follows:

	Year ended March 31, 2017			
	WNS Global BPM	WNS Auto Claims BPM	Inter segments*	Total
Revenue from external customers	\$ 557,904	\$ 44,642	\$ —	\$602,546
Segment revenue	\$ 557,983	\$ 44,642	\$ (79)	\$602,546
Payments to repair centers		24,102	—	24,102
Revenue less repair payments (non-GAAP)	557,983	20,540	(79)	578,444
Depreciation	16,598	305	—	16,903
Other costs	429,074	20,147	(79)	449,142
Impairment of goodwill (Refer note 9)	—	21,673	—	21,673
Segment operating profit/(loss)	112,311	(21,585)	—	90,726
Other income, net	(7,785)	(904)	—	(8,689)
Finance expense	547		—	547
Segment profit/(loss) before income taxes	119,549	(20,681)	—	98,868
Provision for income taxes	17,441	89	—	17,530
Segment profit/(loss)	102,108	(20,770)	—	81,338
Amortization of intangible assets				20,539
Share-based compensation expense				23,036
Profit/(loss)				<u>\$ 37,763</u>
Addition to non-current assets	\$ 111,280	\$ 453	\$ —	\$111,733
Total assets, net of elimination	590,974	113,149	—	704,123
Total liabilities, net of elimination	\$ 214,155	\$ 74,902	\$ —	\$289,057

* Transactions between inter segments represent invoices raised by WNS Global BPM on WNS Auto Claims BPM for business process outsourcing services rendered by the former to latter.

One customer in the WNS Global BPM segment accounted for 9.0% of the Company's total revenue for the year ended March 31, 2017. The receivables from this customer comprised 7.1% of the Company's total accounts receivables as at March 31, 2017.



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The segment results for the year ended March 31, 2016 are as follows:

	Year ended March 31, 2016			Total
	WNS Global BPM	WNS Auto Claims BPM	Inter segments*	
Revenue from external customers	\$ 508,864	\$ 53,315	\$ —	\$562,179
Segment revenue	\$ 509,268	\$ 53,315	\$ (404)	\$562,179
Payments to repair centers	—	31,170	—	31,170
Revenue less repair payments (non-GAAP)	509,268	22,145	(404)	531,009
Depreciation	15,090	345	—	15,435
Other costs	377,051	22,966	(404)	399,613
Segment operating profit/(loss)	117,127	(1,166)	—	115,961
Other income, net	(7,461)	(1,033)	—	(8,494)
Finance expense	278	—	—	278
Segment profit/(loss) before income taxes	124,310	(133)	—	124,177
Provision for income taxes	20,905	275	—	21,180
Segment profit/(loss)	103,405	(408)	—	102,997
Amortization of intangible assets				25,198
Share-based compensation expense				17,919
Profit/(loss)				\$ 59,880
Addition to non-current assets	\$ 30,757	\$ 1,101	\$ —	\$ 31,858
Total assets, net of elimination	373,195	152,256	—	525,451
Total liabilities, net of elimination	\$ 36,660	\$ 80,602	\$ —	\$117,262

* Transactions between inter segments represent invoices raised by WNS Global BPM on WNS Auto Claims BPM for business process outsourcing services rendered by the former to latter.

One customer in the WNS Global BPM segment accounted for 10.9% of the Company's total revenue for the year ended March 31, 2016. The receivables from this customer comprised 10.0% of the Company's total accounts receivables as at March 31, 2016.



WNS (HOLDINGS) LIMITED
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The segment results for the year ended March 31, 2015 are as follows:

	Year ended March 31, 2015			Total
	WNS Global BPM	WNS Auto Claims BPM	Inter segments*	
Revenue from external customers	\$ 472,840	\$ 61,053	\$ —	\$533,893
Segment revenue	\$ 473,056	\$ 61,053	\$ (216)	\$533,893
Payments to repair centers	—	30,878	—	30,878
Revenue less repair payments (non-GAAP)	473,056	30,175	(216)	503,015
Depreciation	14,027	360	—	14,387
Other costs	360,299	24,403	(216)	384,486
Segment operating profit	98,730	5,412	—	104,142
Other income, net	(11,140)	(772)	—	(11,912)
Finance expense	1,332	—	—	1,332
Segment profit before income taxes	108,538	6,184	—	114,722
Provision for income taxes	21,246	1,171	—	22,417
Segment profit	87,292	5,013	—	92,305
Amortization of intangible assets				24,192
Share-based compensation expense				9,499
Profit				<u>\$ 58,614</u>
Addition to non-current assets	\$ 20,923	\$ 1,785	\$ —	\$ 22,708
Total assets, net of elimination	393,152	137,149	—	530,301
Total liabilities, net of elimination	\$ 78,539	\$ 62,656	\$ —	\$141,195

* Transactions between inter segments represent invoices raised by WNS Global BPM on WNS Auto Claims BPM for business process outsourcing services rendered by the former to latter.

One customer in the WNS Global BPM segment accounted for 13.4% of the Company's total revenue for the year ended March 31, 2015. The receivables from this customer comprised 9.8% of the Company's total accounts receivables as at March 31, 2015.



WNS (HOLDINGS) LIMITED
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External Revenue

Revenues from the geographic segments based on domicile of the customer. The Company's external revenue by geographic area is as follows:

	Year ended March 31,		
	2017	2016	2015
Jersey, Channel Islands	\$ —	\$ —	\$ —
UK	248,588	264,889	281,928
US	196,193	155,345	138,501
Europe (excluding UK)	37,494	34,732	28,758
South Africa	42,717	30,086	17,405
Australia	49,053	40,308	34,193
Rest of the world	28,501	36,819	33,108
Total	<u>\$602,546</u>	<u>\$562,179</u>	<u>\$533,893</u>

The Company's non-current assets (excluding goodwill and intangible assets) by geographic area are as follows:

	As at March 31,	
	2017	2016
Jersey, Channel Islands	\$ —	\$ —
UK	1,228	2,114
North America	6,493	2,923
India	21,944	25,744
South Africa	11,449	8,705
Philippines	10,583	6,781
Rest of the world	3,099	4,150
Total	<u>\$54,796</u>	<u>\$50,417</u>

27. Commitment and Contingencies**Leases**

The Company has entered into various non-cancelable operating lease agreements for certain delivery centers and offices with original lease periods expiring between fiscal 2017 and 2028, that are renewable on a periodic basis at the option of the lessor and the lessee and have rent escalation clause. The details of future minimum lease payments under non-cancelable operating leases as at March 31, 2017 are as follows:

	Operating lease
Less than 1 year	\$ 23,657
1-3 years	37,939
3-5 years	24,601
More than 5 years	23,057
Total minimum lease payments	<u>\$ 109,254</u>

Rental expenses were \$27,712, \$24,313 and \$23,794 for the years ended March 31, 2017, 2016, and 2015, respectively.



WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

Capital commitments

As at March 31, 2017 and 2016, the Company had committed to spend approximately \$6,257 and \$4,389, respectively, under agreements to purchase property and equipment. These amounts are net of capital advances paid in respect of these purchases.

Bank guarantees and others

Certain subsidiaries of the Company hold bank guarantees aggregating \$1,190 and \$868 as at March 31, 2017 and 2016, respectively. These guarantees have a remaining expiry term ranging from one to five years.

Restricted time deposits placed with bankers as security for guarantees given by them to regulatory authorities aggregating \$355 and \$400 as at March 31, 2017 and 2016, respectively, are included in other current assets. These deposits represent cash collateral against bank guarantees issued by the banks on behalf of the Company to third parties.

Contingencies

In the ordinary course of business, the Company is involved in lawsuits, claims and administrative proceedings. While uncertainties are inherent in the final outcome of these matters, the Company believes, after consultation with counsel, that the disposition of these proceedings will not have a material adverse effect on the Company's financial position, results of operations or cash flows.



WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

28. Additional capital disclosures

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company focuses on keeping a strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company.

The capital structure as at March 31, 2017 and 2016 was as follows:

	As at March 31,		%
	2017	2016	
Total equity attributable to the equity shareholders of the Company	\$415,066	\$408,189	2%
As percentage of total capital	78%	100%	
Long term debt(1)	118,000	—	100%
Total debt	\$118,000	\$ —	100%
As percentage of total capital	22%	0%	
Total capital (debt and equity)	<u>\$533,066</u>	<u>\$408,189</u>	30%

Note:

(1) Before netting off debt issuance cost of \$1,257 and Nil, respectively.

The Company is predominantly equity-financed. This is also evident from the fact that debt represents 22% and 0% of total capital as at March 31, 2017 and 2016, respectively.



STOCK PURCHASE AGREEMENT

by and among

WNS NORTH AMERICA INC.
(“Buyer”),

ALPAR KAMBER,
DONALD DOUGHERTY, and
JOHN R. EVANS
(“Sellers”),

and

PRIYADARSHAN DESHMUKH,
PETER E. NERO, and
ALAN C. VEECK
(“Optionholders”),

and

ALPAR KAMBER
(“Sellers Representative”)

Dated as of

January 10, 2017



STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this “*Agreement*”), dated as of January 10, 2017, is entered into by and among WNS North America Inc., a Delaware corporation (“*Buyer*”), Alpar Kamber (“*Kamber*”), Donald Dougherty (“*Dougherty*”), and John R. Evans (“*Evans*”, and together with Kamber and Dougherty, the “*Sellers*”), and Priyadarshan Deshmukh (“*Deshmukh*”), Peter E. Nero (“*Nero*”), and Alan C. Veeck (“*Veeck*”, and collectively with Deshmukh and Nero, the “*Optionholders*”) and Kamber, separately in his capacity as representative of the Company Holders (“*Sellers Representative*”).

RECITALS

WHEREAS, Sellers collectively own 100% of the issued and outstanding shares of capital stock of Denali Sourcing Services, Inc., a Delaware corporation (the “*Company*”), consisting of 100,000 shares of common stock, par value \$0.001 per share (the “*Common Stock*”), in the respective amounts set forth on Schedule 3.03(b) hereto (collectively, the “*Shares*”);

WHEREAS, Sellers wish to sell to Buyer, and Buyer wishes to purchase from Sellers, the Shares, subject to the terms and conditions set forth herein;

WHEREAS, the Optionholders hold options to purchase an aggregate of 15,000 shares of Common Stock (the “*Options*”);

WHEREAS, in connection with the acquisition of the Shares, the Company wishes to terminate the Options and pay the Optionholders certain consideration for the termination thereof, subject to the terms and conditions set forth herein;

WHEREAS, the Company has a business affiliation with Denali Sourcing and Software Services (I) Pvt Ltd, a private limited company formed under the laws of India (“*Denali India*”), and the Company sub-contracts certain operations and employees in China through Fonssino (China) Limited, a company formed under the laws of Hong Kong (“*Fonssino*”); and

WHEREAS, contemporaneously with the acquisition of the Shares, certain foreign Affiliates of Buyer will assume certain employees and contracts of Denali India and certain employees of Fonssino, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the representations and warranties, mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I
DEFINITIONS**

The following terms have the meanings specified or referred to in this Article I:

“*Acquisition Proposal*” means (a) any proposal or offer for a merger, consolidation, dissolution, recapitalization or other business combination that if consummated would result in any Person other than the Company Holders owning the Shares or any other equity securities of the Company; (b) any proposal or offer to acquire in any manner, directly or indirectly, any right in any portion of the assets of the Company, other than proposals or offers to acquire solely inventory in the ordinary course of business consistent with past practice; or (c) any proposal or offer to acquire in any manner, directly or indirectly, any right in any equity interests of the Company, including but not limited to the Shares.



“**Additional Closing Payment**” means \$8,000,000 x (the aggregate Ownership Percentage of Dougherty and Evans).

“**Adjusted Closing Price**” means the Closing Price plus the aggregate exercise price of the Options (not including any Options which are terminated for no consideration hereunder).

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, or is an Immediate Family Member of a Person or an Affiliate thereof. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Neither the Company nor Buyer shall be deemed an Affiliate of any Company Holder after Closing.

“**Board**” means the board of directors of the Company.

“**Bonus Payments**” means any amounts owed or payable by the Company as on the Closing Date or at any time thereafter (but not paid on or before the Closing Date) to any officer, director, manager, employee, consultant or independent contractor of the Company (as well as any similar positions with the Company regardless of the title) under, pursuant to, or as a result of any Employee Benefit Plan, Contract, agreement, bonus obligation, payment obligation or other arrangement with or pertaining to such persons, any severance arrangements, any retention programs and the like, in each case, with the amount owed or payable solely arising or resulting from or triggered or caused by the transactions contemplated herein.

“**Business Day**” means any day except Saturday, Sunday or any other day on which commercial banks located in New York are authorized or required by Law to be closed for business.

“**Cause Event**” means that a Management Holder has (a) committed fraud relating to the Company or its Affiliates, (b) embezzled funds of the Company or its Affiliates, or (c) been indicted by a Governmental Authority for a violation of any insider trading laws.

“**China Personnel**” means the employees of Fonsino who are to be transferred to a branch office of Buyer or its Affiliate organized under the laws of Hong Kong or the People’s Republic of China, in connection with the transactions contemplated under this Agreement.

“**Claim**” means any claim, action, litigation, inquiry, proceeding (arbitral, administrative, legal or otherwise), suit, stipulation, investigation, charge, complaint, demand or similar matter.



“**Closing Direction Letter**” means a certificate, signed by the Sellers Representative and delivered to Buyer, setting forth each Person entitled to a payment pursuant to Section 2.04(a)(i), the amount due to such Person, and the applicable wire instructions for the payment of all amounts due and payable, including all amounts and instructions set forth on the Payoff Letters with respect to the payment or release of Indebtedness as of Closing.

“**Closing Price**” means (a) \$32,000,000, minus (b) the Indebtedness, minus (c) the Sellers Representative Holdback Amount, minus (d) \$197,000, which is equal to the consideration payable under the India APA.

“**Closing Working Capital**” means the current assets *minus* the current liabilities of the Company in the categories shown on Exhibit A, as determined as of 12:01 a.m. local time on the Closing Date, and otherwise calculated using the inputs and methodology shown on Exhibit A hereto. Exhibit A sets forth an example of the calculation of the Closing Working Capital as of December 31, 2016 and certain accounting methods, policies, principles, practices and procedures, as were used in the preparation of such example calculation. Notwithstanding the foregoing, the Closing Working Capital shall include negative adjustments for (1) any additional Taxes payable by the Company in connection with the conversion of the Company from an S corporation (within the meaning of Code Sections 1361 and 1362) to a C corporation (within the meaning of Code Sections 1361 and 1362), (2) gratuity and other statutory payments payable in India in connection with the transfer of the India Personnel under the India APA (as determined by a professional accounting firm in India), and (3) any bonus payments which are accrued through December 31, 2016 and still unpaid at the time of the finalization of the Working Capital Adjustment, to any China Personnel or employees or independent contractors outside the United States (other than the gratuity and statutory payments payable in India set forth in clause (2) hereof).

“**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Company Holders**” means, collectively, the Sellers and the Optionholders.

“**Company Intellectual Property**” means the Company Owned Intellectual Property and any other Intellectual Property used by or licensed to the Company.

“**Company IP Agreements**” means any Contract under which the Company is granted the right to use any Intellectual Property owned by a third party and any Contract under which the Company has granted to a third party the right to use any Company Owned Intellectual Property (excluding non-exclusive licenses granted by the Company to any customers in the ordinary course of business).

“**Company Name**” means the trade names, trademarks, and service marks “Denali” and “Denali Group”.

“**Company Owned Intellectual Property**” means all Intellectual Property solely owned by the Company or jointly owned with Denali Group.

“**Company Securities**” means, collectively, the Shares and the Options.



“**Contracts**” means all contracts, subcontracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, and all other agreements, commitments and legally binding arrangements, whether written or oral.

“**Data Room**” means the electronic data room made available to Buyer by the Company in connection with the negotiation of this Agreement, as constituted on or prior to January 9, 2017.

“**Deal Fees**” means any fees and expenses accrued or incurred by the Company prior to the Closing in connection with the transactions contemplated by this Agreement, including all legal, accounting, investment banking, tax and financial advisory and all other fees and expenses of third parties accrued or incurred in connection with the negotiation and effectuation of the terms and conditions of this Agreement and the transactions contemplated hereby.

“**Denali Group**” means Denali Group, Inc. or its successor after the corporate name change contemplated in this Agreement.

“**DG Retained Business**” shall mean the business of providing consulting and advisory services to clients with respect to strategic sourcing, category management, category strategy, spend analytics, supplier management, contract management, procurement training that is part of a consulting engagement, talent/staffing and recruiting services, and subscription based and custom market intelligence services. Notwithstanding the foregoing, DG Retained Business does not include any procurement services (other than training individuals in connection with procurement as part of a consulting engagement) or business process management or business process outsourcing services relating to procurement.

“**Disclosure Schedules**” means the Disclosure Schedules delivered by Sellers concurrently with the execution and delivery of this Agreement.

“**Dollars**” or “**\$**” means the lawful currency of the United States.

“**Employee Benefit Plan**” means any benefit, pension, profit sharing, 401(k), retirement, savings or thrift, deferred compensation, stock purchase, stock option, restricted stock, stock appreciation right, phantom equity, or other equity-based compensation plans, incentive, bonus, vacation, employment, consulting independent contractor, severance, disability, hospitalization, sickness, death, medical insurance, dental, vision, life insurance or benefit, excess benefit, cafeteria plan, health reimbursement arrangement, health savings, flexible spending, compensation, welfare, accidental death and dismemberment, collective bargaining or other agreement with any works council or similar association, worker’s compensation, unemployment compensation, post-retirement, loan, salary continuation, termination or severance, retention, noncompetition, confidentiality, change in control, fringe benefit, transportation benefit, employee assistance program, paid time off, perquisite (including benefits relating to automobiles, clubs, child care, parenting leave, and sabbaticals) and any other employee benefit plan whether or not defined as an “employee benefit plan” as defined in Section 3(3) of ERISA (including any “multiemployer plan” as defined in Section 3(37) of ERISA) and any other employee benefit plan (whether provided on a funded or unfunded basis, or through insurance or otherwise), agreement, program, policy, trust, fund, contract, understanding, commitment, funding mechanism or arrangement, whether or not reduced to writing, in effect and covering one or more Employees, former employees of the Company, current or former directors of the Company, or the beneficiaries or dependents of any such Persons, and is maintained, sponsored, contributed to, or required to be contributed to by, the Company.



“**Employees**” means those Persons employed by the Company immediately prior to the Closing.

“**Encumbrance**” means any community property interest, charge, pledge, condition, equitable interest, lien (statutory or other), security interest, mortgage, right of first refusal, restriction on voting or transfer, or other encumbrance.

“**Environmental Claim**” means any action, suit, Claim, investigation or other legal proceeding by any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

“**Environmental Law**” means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety (as they may be affected by exposure to or Releases of Hazardous Materials), or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials. The term “Environmental Law” includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

“**Environmental Notice**” means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged noncompliance with, or potential liability pursuant to, any Environmental Law or any term or condition of any Environmental Permit, including any letter issued pursuant to Section 103(e) of CERCLA, or the like.



“**Environmental Permit**” means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

“**ERISA Affiliate**” means any employer that would be considered a single employer with the Company under Sections 414(b), (c), (m) or (o) of the Code.

“**Export Control Classification**” means an official classification of goods, services, software, or information issued by a Governmental Authority pursuant to Export Control Law. Examples include (1) commodity jurisdiction determinations issued by the U.S. State Department’s Directorate of Defense Trade Controls, and (2) Commodity Classification Automated Tracking System (CCATS) determinations issued by the U.S. Commerce Department’s Bureau of Industry and Security.

“**Export Control Law**” means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority, governing the lawful movement or transfer of goods, services, software, or information between and among countries. The phrase “Export Control Law” encompasses international anticorruption Laws as well, and includes, without limitation, the following (including any implementing Executive Orders and regulations): the U.S. Export Administration Act of 1979, as amended, 50 U.S.C. app. §§ 2401-2420; the U.S. Arms Export Control Act of 1976, 22 U.S.C. §§ 2551 et seq.; the U.S. International Emergency Economic Powers Act, as amended, 50 U.S.C. §§ 1701-1706; the U.S. Trading with the Enemy Act of 1917, 50 U.S.C. app. §§ 1-44; the U.S. Foreign Corrupt Practices Act of 1977, 15 U.S.C. § 78dd-1 et seq.; and the UK Bribery Act 2010 (c.23).

“**Export Permit**” means any Permit, applicable exemption, decision, or other action required under or issued, granted, given, authorized by or made pursuant to Export Control Law.

“**First Measurement Period**” means the twelve-month period from January 1, 2017 to December 31, 2017.

“**Fonssino Agreement**” means the Service Agreement, dated December 20, 2016, by and between the Company and Fonssino.

“**GAAP**” means United States generally accepted accounting principles in effect from time to time, as applicable to non-public business entities.

“**Governmental Authority**” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other nongovernmental regulatory authority or quasi-governmental authority or administrative body (to the extent that the rules, regulations or orders of such organization, authority or body have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

“**Governmental Order**” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.



“**Government Contract**” means any Contract entered into between the Company and a Governmental Authority.

“**Hazardous Materials**” means (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or man-made, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls; and (c) toxigenic mold and/or indoor air pollutants of any kind.

“**Immediate Family Member**” means any spouse, parent, siblings, descendants (including adoptive relationships and stepchildren) and the spouses of each such natural persons.

“**Indebtedness**” means, without duplication, (a) all obligations of the Company for borrowed money, including all obligations evidenced by bonds, debentures, notes, mortgages (including chattel mortgages) or other similar instruments; (b) all obligations of the Company as lessee that are capitalized on the Company Financial Statements; (c) all outstanding obligations of the Company in respect of performance bonds, banker’s acceptances and letters of credit (including standby letters of credit), and (d) all obligations of others guaranteed by the Company, including contingent obligations and obligations under derivative, hedging, swap, foreign exchange or similar instruments. “Indebtedness” includes, but is not limited to (i) any and all accrued interest, prepayment premiums, make-whole premiums or penalties and fees or expenses (including attorneys’ fees) associated with the prepayment of any Indebtedness and (ii) cash or bank account overdrafts.

“**India APA**” means the Agreement for transfer of certain assets by Denali India to WNS Global Services Private Limited (India), in the form set forth in Exhibit B hereto.

“**India Personnel**” means the employees and independent contractors of Denali India.

“**Knowledge of the Company**” or “**Company’s Knowledge**” or any other similar knowledge qualification means the actual knowledge of any Company Holder.

“**Law**” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

“**Losses**” means losses, damages, liabilities, deficiencies, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.



“Material Adverse Effect” means any event, occurrence, fact, condition or change that is or would reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, condition (financial or otherwise) or assets of the Company, or (b) the ability of a Company Holder to consummate the transactions contemplated by the Agreement or the other Transaction Documents to which he is a party; provided, however, that in no event shall any of the following, either alone or in combination, be deemed to constitute or contribute to a Material Adverse Effect, or shall otherwise be taken into account in determining whether a Material Adverse Effect has occurred or would be reasonably expected to occur: (i) any adoption, implementation, repeal, modification, reinterpretation or proposal of any Law, (ii) any change in GAAP or other accounting standards (or interpretation thereof), (iii) any action taken by the Company or its Representatives with the prior written consent of Buyer, (iv) changes caused by acts of terrorism or war (whether or not declared) or other calamity, weather related event, fire or natural disaster (to the extent that any loss or liability of the Company arising from any such weather related event, fire or natural disaster is covered by any insurance policy), crisis or geopolitical event or any escalation thereof occurring after the date hereof, or (v) general economic, financial, industrial, regulatory or political conditions, so long as the effects do not disproportionately impact the Company relative to the other participants in the industry.

“Maximum Deferred Payment” means, excluding any interest payable thereon, \$8,000,000 *minus* the Additional Closing Payment.

“Measurement Periods” means, collectively, the First Measurement Period, Second Measurement Period, and Third Measurement Period.

“Open Source Software” means any software that contains, or is derived in any manner (in whole or in part) from, any software that is distributed as free software, open source software or similar licensing or distribution models, including software licensed or distributed under any of the licenses or distribution models identified by the Open Source Initiative at <http://www.opensource.org/licenses/alphabetical>, or any similar license or distribution model.

“Organizational Documents” means (a) the articles or certificate of incorporation and the by-laws of a corporation; (b) the certificate or articles of formation or organization and operating agreement, limited liability company agreement, or like agreement of a limited liability company; (c) the partnership agreement and any statement of partnership of a general partnership; (d) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (e) any charter or agreement or similar document adopted or filed in connection with the creation, formation or organization of a Person; (f) the declaration of trust, trust agreement, or other similar governing document of any trust; and (g) any amendment to or restatement of any of the foregoing.

“Ownership Percentage” means, with respect to each Seller and Optionholder, the quotient (expressed as a percentage) obtained by dividing (i) the total Shares held by such Seller or shares of Common Stock issuable upon exercise of the Options held by such Optionholder, as applicable, by (ii) the total number of Shares plus the total number of shares of Common Stock issuable upon exercise of the Options, each as of immediately prior to the Closing (and prior to giving effect to Section 2.08).

“Payoff Letter” means the letters or other evidence from applicable lenders or other third parties providing for (a) the release of all Encumbrances, other than the Permitted Encumbrances, on the properties and assets of the Company and (b) the discharge, satisfaction, or release of all Indebtedness, in each case, following satisfaction of the terms contained in such letters.



“**Per Share Price**” means the quotient obtained by dividing (a) the amount of the Adjusted Closing Price, by (b) the total number of Shares issued and outstanding plus the number of shares of Common Stock issuable upon exercise of the Options, each immediately prior to the Closing (and prior to giving effect to Section 2.08).

“**Permits**” means all permits, licenses, franchises, approvals, authorizations, and consents required to be obtained from Governmental Authorities, including all personnel and facility security clearances.

“**Person**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

“**Procurement Services Revenues**” means the aggregate gross revenues of Buyer and its Affiliates with respect to procurement services, including, without limitation, all revenues of the Company, as a wholly-owned subsidiary of Buyer after the Closing, on a consolidated basis. Notwithstanding the foregoing, revenues arising from certain Contracts as set forth in clauses (a) and (b) below shall be excluded from Procurement Services Revenues: (a) Contracts entered into by Buyer or its Affiliates prior to the Closing Date, other than any such Contracts with Dow Corning Corporation or its Affiliates; and (b) Contracts entered into by any Person control of which is acquired by Buyer or any of its Affiliates after the Closing, if such Contracts predated the consummation of any such acquisition.

“**Real Property**” means the real property leased, subleased, licensed or otherwise occupied by the Company, together with all buildings, structures and facilities located thereon.

“**Release**” means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation, ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

“**Representative**” means, with respect to any Person, any and all directors, officers, employees, consultants, advisors, counsel, accountants, representatives and other agents of such Person.

“**Restricted Business**” means the provision of outsourced and managed services relating to procurement, strategic sourcing (including category management, category strategy and sourcing execution), spend analytics, supplier management, contract management, procure to pay, market intelligence and procurement training; provided, however, with respect to Evans and Dougherty, the Restricted Business shall not include the DG Retained Business.

“**Restricted Period**” means the period beginning on the Closing Date and ending the later of (a) four (4) years, for the Sellers, or (b) three (3) years, for the Optionholders, after the Closing Date.

“**Second Measurement Period**” means the twelve month period from January 1, 2018 to December 31, 2018.



“**Sellers Representative Holdback Amount**” means an amount payable to the Sellers Representative at Closing out of the consideration under this Agreement under 2.04(a)(v), for the purposes of securing the payment of the expenses of the Sellers Representative, in an amount to be determined by the Sellers Representative as set forth in the Closing Direction Letter.

“**Shareholders’ Agreement**” means the Shareholders’ Agreement made and entered into as of December 5, 2008, among Denali Sourcing Services, Inc., a California corporation and predecessor-in-interest to the Company, Kamber, Evans, Dawn Tiura Evans, and Dougherty, as amended through the date of this Agreement.

“**Stock Option Plan**” mean the Denali Sourcing Services, Inc. 2011 Stock Plan.

“**Target Working Capital**” means \$2,472,030.

“**Tax Return**” means any return, declaration, report, claim for refund, information return or statement or other document required to be filed with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Taxes**” means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

“**Territory**” means worldwide.

“**Third Measurement Period**” means the twelve month period from January 1, 2019 to December 31, 2019.

“**Transaction Documents**” means this Agreement, the Closing Direction Letter, and the Assignment Agreement.

“**WARN Act**” means the federal Worker Adjustment and Retraining Notification Act of 1988, and similar state, local and foreign Laws related to plant closings, relocations, mass layoffs and employment losses.

Other capitalized terms utilized herein have the meanings ascribed to such terms in the following sections:

“ 409A Plan ”	Section 3.22(n)
“ Adjustment Statement ”	Section 2.06(a)(ii)
“ Agreement ”	Preamble
“ Breaching Holder ”	Section 2.07(g)
“ Buyer ”	Preamble
“ Buyer 401(k) Plan ”	Section 5.16(e)
“ Buyer Indemnified Parties ”	Section 7.02
“ Closing ”	Section 2.05



<i>“Closing Balance Sheet”</i>	Section 2.06(a)(i)
<i>“Closing Date”</i>	Section 2.05
<i>“Closing Option Consideration”</i>	Section 2.08(a)
<i>“Common Stock”</i>	Recitals
<i>“Company”</i>	Recitals
<i>“Company 401(k) Plan”</i>	Section 5.16(e)
<i>“Company Benefit Plan”</i>	Section 3.22(a)
<i>“Company Benefit Plans”</i>	Section 3.22(a)
<i>“Company Financial Statements”</i>	Section 3.06
<i>“Confidentiality Agreement”</i>	Section 5.02(a)
<i>“D&O Indemnified Parties”</i>	Section 5.17(a)
<i>“Deferred Payment Breach”</i>	Section 2.07(g)
<i>“Denali India”</i>	Recitals
<i>“Deshmukh”</i>	Preamble
<i>“Direct Claim”</i>	Section 7.05(c)
<i>“Disputed Amounts”</i>	Section 2.07(c)(iii)
<i>“Dougherty”</i>	Preamble
<i>“Drop Dead Date”</i>	Section 8.01(b)(ii)
<i>“DSS Employees”</i>	Section 5.16(a)
<i>“Employment Agreements”</i>	Section 3.23(f)
<i>“Evans”</i>	Preamble
<i>“Fonssino”</i>	Recitals
<i>“Fundamental Representations”</i>	Section 7.01
<i>“Holder Indemnified Parties”</i>	Section 7.03
<i>“Improvement”</i>	Section 3.11(f)
<i>“Indemnified Party”</i>	Section 7.04
<i>“Indemnifying Party”</i>	Section 7.04
<i>“Independent Accountants”</i>	Section 2.06(a)
<i>“Insurance Policies”</i>	Section 3.15
<i>“Intellectual Property”</i>	Section 3.12(a)
<i>“Interim Company Financial Statements”</i>	Section 3.06
<i>“IRS”</i>	3.22(a)
<i>“IT Systems”</i>	Section 3.12(h)
<i>“Kamber”</i>	Preamble
<i>“Leases”</i>	Section 3.11(b)
<i>“Management Holders”</i>	Section 2.07(a)
<i>“Material Contracts”</i>	Section 3.10(a)
<i>“Material Customers”</i>	Section 3.13
<i>“Mechanics’ Liens”</i>	Section 3.11(a)(ii)
<i>“Nero”</i>	Preamble



<i>“Option Consideration”</i>	Section 2.08(a)
<i>“Optionholders”</i>	Preamble
<i>“Options”</i>	Recitals
<i>“PBGC”</i>	Section 3.22(e)
<i>“Permitted Encumbrances”</i>	Section 3.11(a)
<i>“Personnel Information”</i>	Section 3.23(a)
<i>“PII”</i>	Section 3.14(a)
<i>“Pre-Closing Tax Return”</i>	Section 5.10(b)
<i>“Resolution Period”</i>	Section 2.07(c)(ii)
<i>“Review Period”</i>	Section 2.07(c)(i)
<i>“Security Policy”</i>	Section 3.14(a)
<i>“Sellers”</i>	Preamble
<i>“Sellers Representative”</i>	Preamble
<i>“Shares”</i>	Recitals
<i>“Statement of Non-Objection”</i>	Section 2.07(c)(i)
<i>“Statement of Objections”</i>	Section 2.07(c)(ii)
<i>“Straddle Period”</i>	Section 5.10(d)
<i>“Straddle Tax Return”</i>	Section 5.10(c)
<i>“Tax Proceeding”</i>	Section 5.10(h)
<i>“Tax Return Amendment”</i>	Section 5.10(f)
<i>“Third-Party Claim”</i>	Section 7.05(a)(i)
<i>“Transfer Taxes”</i>	Section 5.10(a)
<i>“Transition Certification”</i>	Section 5.15(b)
<i>“Transition Events”</i>	Section 5.15(b)
<i>“Transition Services”</i>	Section 5.14
<i>“Veeck”</i>	Preamble
<i>“Working Capital Adjustment”</i>	Section 2.06
<i>“Year End Company Financial Statements”</i>	Section 3.06

**ARTICLE II
PURCHASE AND SALE**

Section 2.01 Purchase and Sale. Subject to the terms and conditions set forth herein, at the Closing, Sellers shall sell to Buyer, and Buyer shall purchase from Sellers, the Shares and the Optionholders shall terminate their Options for the consideration specified in this Article II.

Section 2.02 Purchase Price. In consideration for the sale of the Shares by the Sellers, and the termination of the Options by the Optionholders, and in reliance upon the representations and warranties of the Company Holders contained herein, the aggregate price payable to or on behalf of the Company Holders shall be (a) the Closing Price, subject to the adjustment after the Closing pursuant to the Working Capital Adjustment, plus (b) in the case of Dougherty and Evans, the Additional Closing Payment, plus (c) in the case of the Management Holders, the Deferred Payments.



Section 2.03 Closing Direction Letter. At least two (2) Business Days prior to Closing, or such later time agreed to by Buyer, the Sellers Representative shall prepare and deliver to Buyer the Closing Direction Letter.

Section 2.04 Transactions to Be Effected at the Closing.

(a) At the Closing, Buyer shall deliver the following payments:

(i) The following amount shall be payable by wire transfer or other immediately available funds, to or on behalf of Kamber, to the account(s) set forth in the Closing Direction Letter:

$(\text{Ownership Percentage of Kamber}) \times (\text{Adjusted Closing Price})$

(ii) The following amount shall be payable by wire transfer or other immediately available funds, to or on behalf of Dougherty, to the account(s) set forth in the Closing Direction Letter:

$((\text{Ownership Percentage of Dougherty}) \times (\text{Adjusted Closing Price})) + (37.5\% \text{ of the Additional Closing Payment})$

(iii) The following amount shall be payable by wire transfer or other immediately available funds, to or on behalf of Evans, to the account(s) set forth in the Closing Direction Letter:

$((\text{Ownership Percentage of Evans}) \times (\text{Adjusted Closing Price})) + (37.5\% \text{ of the Additional Closing Payment})$

(iv) the Indebtedness, payable by wire transfer of immediately available funds to the recipients thereof set forth in the Payoff Letters;

(v) the Sellers Representative Holdback Amount, payable by wire transfer of immediately available funds to the account set forth in the Closing Direction Letter; and

(vi) the Option Consideration, payable by wire transfer of immediately available funds to a Company account set forth in the Closing Direction Letter.

(b) At the Closing, Buyer shall retain the Deferred Payments and 25% of the Additional Closing Payment; provided that it shall have no duty to segregate such funds.

(c) At the Closing, Sellers shall deliver stock certificates representing all of the Shares, duly endorsed in blank by the record holder thereof, or accompanied by stock powers duly executed in blank, in proper form for transfer approved by Buyer, together with any other transfer or transmittal documentation reasonably requested by Buyer.

Section 2.05 Closing. Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement shall take place at a closing (the “Closing”) to be held at 10:00 a.m., New York time, no later than two (2) Business Days after the last of the conditions to Closing set forth in Article VI have been satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), at the offices of Kelley Drye & Warren LLP, 101 Park Avenue, New York, New York 10178, or at such other time or on such other date or at such other place as Company Holders and Buyer may mutually agree upon in writing (the day on which the Closing takes place being the “Closing Date”). For purposes of this Agreement, the Closing shall be deemed effective at 12:01 a.m., New York time, on the Closing Date.



Section 2.06 Working Capital Adjustment. After the Closing, the Closing Price shall be adjusted by the amount of the Working Capital Adjustment. The “*Working Capital Adjustment*,” which may be a positive or a negative number, shall be the amount equal to the Closing Working Capital *minus* the Target Working Capital. To the extent the Working Capital Adjustment is positive, it shall constitute an increase in the Closing Price and shall be paid by Buyer to the Sellers Representative, on behalf of the Company Holders, and, to the extent it is a negative amount, shall constitute a decrease in the Closing Price and shall be paid by the Company Holders to Buyer.

(a) Determination of Working Capital Adjustment. Within fifteen (15) days after the Closing Date, Buyer and the Sellers Representative shall jointly choose an accounting firm, acting as experts and not arbitrators, to serve as the auditor for the Working Capital Adjustment (the “*Independent Accountants*”); provided that if Buyer and the Sellers Representative cannot agree on the Independent Accountants within such fifteen (15) day period, Buyer shall be entitled to choose any independent nationally recognized accounting firm that has not been engaged by Buyer or its Affiliates with respect to the transactions contemplated by this Agreement. Buyer and the Sellers Representative shall use commercially reasonable efforts to cause the Independent Accountants to prepare and deliver, within ninety (90) days after the engagement of the Independent Accountants, to Buyer and Sellers Representative:

(i) an audited balance sheet of the Company as of the Closing and taking into account all accruals and other items required to be included therein as a result of the transactions contemplated hereby prepared as set forth in Section 2.06(a)(ii) (the “*Closing Balance Sheet*”); and

(ii) a statement (the “*Adjustment Statement*”) (1) setting forth the Independent Accountant’s calculation of the Closing Working Capital made in accordance with the Closing Balance Sheet and the methodology presented on Exhibit A hereto; (2) setting forth the Independent Accountant’s calculation of the amount of the Working Capital Adjustment. The Closing Balance Sheet shall be (x) prepared using the (A) accounting methods, practices, principles, policies and procedures (including with respect to the nature of accounts, level of reserves or level of accruals), with consistent classifications, judgments and valuation and estimation methodologies as were used in the preparation of the example set forth on Exhibit A, and (B) to the extent not inconsistent with Exhibit A, GAAP, and (y) does not include any changes in assets or liabilities as a result of purchase accounting adjustments or other changes arising from or resulting as a consequence of the transactions contemplated hereby.

(iii) *Determination by Independent Accountants.* The Independent Accountants’ determination of the Closing Balance Sheet and the amount of the Working Capital Adjustment shall be conclusive and binding upon the parties hereto.

(iv) *Fees of the Independent Accountants.* The fees and expenses of the Independent Accountants shall be borne and paid solely by Buyer.



(b) Payment of Working Capital Adjustment.

(i) Except as otherwise provided herein, payment of the amount of the Working Capital Adjustment shall be due and payable by wire transfer or other immediately available funds within five (5) Business Days after the Working Capital Adjustment is finally determined pursuant to this Section 2.06.

(ii) In the case of a decrease in the Closing Price, the Working Capital Adjustment shall be paid by the Company Holders into such account as is directed by Buyer in writing, in proportion to the Company Holders' respective Ownership Percentage; provided that all of the Company Holders shall be jointly and severally responsible for making any payment in connection with the Working Capital Adjustment to the extent such payment is not made by the other Company Holders.

(iii) In the case of an increase in the Closing Price, the Working Capital Adjustment shall be paid by Buyer into such accounts as is directed by the Sellers Representative in writing, to be allocated in proportion to the Company Holders' respective Ownership Percentage; provided that any amount payable to the Optionholders shall be paid to the Company to be distributed through the Company's payroll, net of applicable Tax withholding and any other applicable deductions as set forth in Section 2.08(a).

(iv) The amount of the Closing Working Capital Adjustment shall not bear interest.

(c) Sole Remedy. The obligations of the Company Holders described in Section 2.06(b) above shall be the sole and exclusive remedy of Buyer for any and all claims arising under this Agreement with respect to this Section 2.06, except in the case of fraud or intentional misrepresentation with the intent to mislead another party hereto.

Section 2.07 Deferred Payments.

(a) Deferred Payments. As additional consideration for the transactions contemplated by this Agreement Buyer agrees to make additional payments (if any) to Kamber and the Optionholders (collectively, the "**Management Holders**"), on the basis and subject to the limitations provided in this Section 2.07 (each a "**Deferred Payment**"). The Deferred Payments shall be allocated among the Management Holders pro rata based upon their respective Ownership Percentage (calculated by excluding the Shares owned by Dougherty and Evans for all purposes).

(b) Payment Schedule. If the Procurement Services Revenues are at least \$23,000,000 (the "**Revenue Target**") during any Measurement Period, then the aggregate Deferred Payments payable to the Management Holders shall be as follows:

(i) For the First Measurement Period, 37.5% of the Maximum Deferred Payment (exclusive of any interest payable thereon);



(ii) For the Second Measurement Period, 37.5% of the Maximum Deferred Payment (exclusive of any interest payable thereon); and

(iii) For the Third Measurement Period, 25% of the Maximum Deferred Payment (exclusive of any interest payable thereon).

Notwithstanding the foregoing:

(A) If a Deferred Payment is not paid because the Revenue Target was not met during the First Measurement Period, and the aggregate Procurement Services Revenues during the First Measurement Period and the Second Measurement Period exceeds \$46,000,000, then the aggregate Deferred Payments payable to the Management Holders shall be 75% of the Maximum Deferred Payment (plus any interest payable in accordance with this Section 2.07).

(B) If a Deferred Payment is not paid because the Revenue Target was not met during both or either of the First Measurement Period or the Second Measurement Period, and the aggregate Procurement Services Revenues during the First Measurement Period, the Second Measurement Period and Third Measurement Period exceed \$69,000,000, then the aggregate Deferred Payments payable to the Management Holders shall be 100% of the Maximum Deferred Payment (plus any interest payable in accordance with this Section 2.07). For avoidance of doubt, if the aggregate Procurement Services Revenues during the First, Second and Third Measurement Periods combined do not exceed \$69,000,000, then no Deferred Payments (or corresponding interest) shall be payable with respect to any Measurement Period unless the annual Revenue Target for a particular Measurement Period was satisfied, in which case the Deferred Payment for such Measurement Period (and corresponding interest) shall be payable.

(c) Examination and Review; Payment. Within sixty (60) days after the end of each Measurement Period, Buyer shall prepare and deliver to the Sellers Representative a statement (the “*Deferred Payment Statement*”) setting forth (1) Buyer’s calculation of the Procurement Services Revenues during the Measurement Period and (2) a certification that the calculation of the Procurement Services Revenues during the Measurement Period was prepared using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies as were used in the preparation of the Company Financial Statements for the most recent fiscal year end. Notwithstanding the foregoing, no Deferred Payment Statement shall be required, and the Sellers Representative shall not have the right to review the Procurement Services Revenues, if Buyer pays the Deferred Payment in full within sixty (60) days after the end of such Measurement Period, and Buyer has paid Deferred Payments in full for each previous Measurement Period (if any). Notwithstanding the foregoing, Buyer shall have the right to prepay any Deferred Payment in its sole discretion and Buyer shall evaluate in good faith prepaying the Deferred Payment related to the Third Measurement Period so that it may be paid on or before December 31, 2019.

(i) *Examination*. After receipt of the Deferred Payment Statement for each Measurement Period, the Sellers Representative and his Representatives shall have thirty (30) days (the “*Review Period*”) to review the calculation of the Procurement Services Revenues. During the Review Period, the Sellers Representative and his Representatives shall have access to the books and records of the Company and work papers prepared by Buyer and/or Buyer’s accountants to the extent that they relate to the Deferred Payment Statement and the calculation of the Procurement Services Revenues as the Sellers Representative may reasonably request for the purpose of reviewing the same, and preparing a Statement of Objections, provided that such access shall be in a manner that does not unreasonably interfere with the normal business operations of Buyer, the Company or their Affiliates. The Sellers Representative and his Representatives may make inquiries of Buyer and its accountants regarding questions or disagreements, and Buyer shall, and shall use commercially reasonable efforts to cause its accountant to, cooperate with and respond to such inquiries. At any time during the Review Period, the Sellers Representative may deliver to Buyer a statement that the Sellers Representative agrees to the calculation of the Procurement Services Revenues (a “*Statement of Non-Objection*”), and upon the delivery of such statement, such amount shall be deemed to be final and binding.



(ii) *Objection.* On or prior to the last day of the Review Period, the Sellers Representative may object to the calculation of the Procurement Services Revenues as set forth in the Deferred Payment Statement by delivering to Buyer a written statement setting forth the Sellers Representative’s objections in reasonable detail based on the information then available to the Sellers Representative, indicating each disputed item or amount (the “**Statement of Objections**”). If the Sellers Representative fails to deliver the Statement of Objections before the expiration of the Review Period, the Procurement Services Revenues set forth in the Adjustment Statement shall be deemed to have been accepted by the Sellers Representative and shall be deemed final and binding. If the Sellers Representative delivers the Statement of Objections before the expiration of the Review Period, Buyer and the Sellers Representative shall negotiate in good faith to resolve such objections within thirty (30) days after the delivery of the Statement of Objections (the “**Resolution Period**”), and, if the same are so resolved within the Resolution Period, the Procurement Services Revenues as set forth in the Deferred Payment Statement, with such changes as may have been agreed in writing by Buyer and the Sellers Representative, shall be final and binding.

(iii) *Resolution of Disputes.* If the Sellers Representative and Buyer fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute (“**Disputed Amounts**”) shall be submitted for resolution to the Independent Accountants who, acting as experts and not arbitrators, shall resolve the Disputed Amounts only and make any adjustments to the Procurement Services Revenues. The parties hereto agree that all adjustments shall be made without regard to materiality. The Independent Accountants shall only decide the specific items under dispute by the parties and their decision for each Disputed Amount must be within the range of values assigned to each such item in the Closing Balance Sheet, Adjustment Statement and the Statement of Objections, respectively.

(iv) *Determination by Independent Accountants.* The Independent Accountants shall make a determination as soon as practicable after their engagement, and their resolution of the Disputed Amounts and their adjustments to the Procurement Services Revenues shall be conclusive and binding upon the parties hereto.



(v) *Fees of the Independent Accountants.* The fees and expenses of the Independent Accountant shall be paid by the Company Holders, on the one hand, and by Buyer, on the other hand, based upon the percentage that the amount actually contested but not awarded to Company Holders or Buyer, respectively, bears to the aggregate amount actually contested.

(vi) *Payment of the Deferred Payment.* The Deferred Payments, if any, shall be paid by Buyer into such accounts as is directed by the Sellers Representative in writing; provided, that any amount payable to the Optionholders shall be paid to the Company to be distributed through the Company's payroll, net of applicable Tax withholding and any other applicable deductions as set forth in Section 2.08(a). The Deferred Payments, if any, shall be due and payable by wire transfer or other immediately available funds:

(A) within five (5) Business Days of the delivery by Company Holders to Buyer of a Statement of Non-Objection with respect to the Procurement Services Revenues;

(B) within five (5) Business Days of the conclusion of the Review Period if no Statement of Objections or Statement of Non-Objection is delivered by the Sellers Representative to Buyer with respect to the Procurement Services Revenues; or

(C) if a Statement of Objection is delivered within the Review Period, within five (5) Business Days of the conclusion of the Resolution Period, then within five (5) Business Days after the Procurement Services Revenues are finally determined pursuant to this Section 2.07.

(d) Interest. Except as set forth herein, the Deferred Payments, if any, shall accrue interest from the Closing Date until such Deferred Payments are actually paid to the Management Holder at a rate per annum equal to 6%, including, without limitation, during any period in which the Deferred Payments are withheld pursuant to Section 2.07(f) or 2.07(g); provided, however, that any Deferred Payment that is not paid because the Revenue Target is not met during a Measurement Period, but such Deferred Payment is later paid under Section 2.07(b)(iii)(A) or (B), then such Deferred Payment shall not accrue any additional interest after the last day of the original applicable Measurement Period. Such interest shall be calculated daily on the basis of a 365 day year and the actual number of days elapsed.

(e) Offset of Other Amounts Payable to Buyer. Notwithstanding anything in this Agreement to the contrary, to the extent that there are (1) any Losses payable to Buyer or any other Buyer Indemnified Party by a Management Holder as finally determined pursuant to Article VII hereunder, or (2) any Working Capital Adjustments decreasing the Closing Price as finally determined pursuant to Section 2.06, in each case, that are not paid by the Company Holders within the periods required pursuant to Sections 7.06 and 2.06(b), as applicable, then, in addition to any other rights and remedies available to it, Buyer shall have the right, upon prior written notice to the Sellers Representative, to offset such amount payable by it or its Affiliates or the other Buyer Indemnified Parties, against the amount of any future Deferred Payment(s) payable to the Management Holders pro rata based on the Ownership Percentage. The offset of amounts payable to the Buyer Indemnified Parties under this Section 2.07(e) shall not limit any of Buyer's other rights hereunder.



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(f) Pending Claims. To the extent that Buyer or its Affiliates make a written Claim in good faith in connection with (1) any Losses payable to Buyer or any other Buyer Indemnified Party by a Management Holder pursuant to Article VII hereunder, or (2) any Working Capital Adjustments decreasing the Closing Price pursuant to Section 2.06, then any future Deferred Payments payable to the Management Holders may be withheld by Buyer by the maximum potential amount of such Claims, as reasonably determined by Buyer, until such Claim is resolved pursuant to the procedures set forth in Article VII or Section 2.06, as applicable. If it is determined under such procedures set forth in this Agreement that no amount is payable to Buyer in connection with such Claim, or the amount withheld by Buyer under this Section 2.07(f) is in excess of the amount payable to Buyer in connection with such Claim, then such additional amounts withheld by Buyer shall be promptly distributed to the Management Holders.

(g) Condition Precedent. A condition precedent to the payment of the Deferred Payments to the Management Holders is their continued compliance with the covenant contained in Section 5.06 and there not being a Cause Event (collectively, a “**Deferred Payment Breach**”). If an arbitrator or court of competent jurisdiction determines that a Management Holder has committed a Deferred Payment Breach, or if a Management Holder agrees in writing that a Deferred Payment Breach has occurred (each, a “**Breaching Holder**”), then no Deferred Payments shall be payable to the Breaching Holder after the date of such Deferred Payment Breach. Nothing under this Section 2.07(g) shall limit Buyer’s other rights under this Agreement, including to equitable remedies in the event of a breach of Section 5.06, or the right to seek indemnification under Article VII hereunder in the event that the Losses incurred by Buyer as a result of the Deferred Payment Breach are greater than the withheld Deferred Payments after such breach. If there is a non-payment of Deferred Payments under this Section 2.07(g), then such withheld Deferred Payments shall offset Buyer’s Losses attributable to the applicable Deferred Payment Breach, up to the amount of the withheld Deferred Payment, but the withheld Deferred Payments shall not offset any other Losses of Buyer for which it may seek indemnification under Article VII hereunder.

(h) Resolution of Deferred Payment Breach. To the extent that Buyer or its Affiliates make a written Claim in good faith that any Management Holder has committed a Deferred Payment Breach, then any future Deferred Payments payable to such Management Holder may be withheld by Buyer by the maximum potential amount, and only paid to such Management Holder when such Claim is resolved under Section 2.07(g). Buyer and the Management Holders shall negotiate in good faith and use commercially reasonable efforts to resolve any Claim that such Management Holder has committed a Deferred Payment Breach.

(i) No Security. The parties hereto understand and agree that (i) the contingent rights to receive any Deferred Payment shall not be represented by any form of certificate or other instrument, are not transferable, except by operation of Laws relating to descent and distribution, divorce and community property, and do not constitute an equity or ownership interest in Buyer or the Company and (ii) the Management Holders shall not have any rights as a securityholder of Buyer or the Company as a result of the Management Holders’ contingent right to receive any Deferred Payment hereunder.



Section 2.08 Options.

(a) At the Closing, each outstanding Option shall be terminated in exchange for each Optionholder's right to receive, without interest, an amount of cash equal to (i) the product obtained by multiplying (A) the number of shares of Common Stock issuable upon the exercise of the Options held by such Optionholder by (B) the excess, if any, of the Per Share Price over the exercise price per share attributable to such Options (such amount being hereinafter referred to as the "**Closing Option Consideration**"), plus (ii) the portion of any Working Capital Adjustment to which the Optionholders are entitled pursuant to Section 2.06, plus (iii) the portion of Deferred Payments to which the Optionholders are entitled pursuant to Section 2.07 (collectively, the "**Option Consideration**"). The Closing Option Consideration shall be paid by Buyer to the Company at Closing. The Option Consideration shall be treated as compensation paid by the Company as and when received by the Optionholder thereof to whom such payment is due. Upon receipt of any Option Consideration, the Company shall distribute the applicable Option Consideration to each Optionholder, through the Company's payroll, net of applicable Tax withholding and any other applicable deductions, through a special payroll as soon as reasonably practicable or on the next regularly scheduled payroll date. Such withheld amounts shall also be deemed to be part of the applicable payment and shall be treated for all purposes of this Agreement as having been paid to such Optionholder.

(b) Notwithstanding anything contained herein to the contrary, Buyer shall only be obligated to make payments with respect to Options that have an exercise price per share of Common Stock below the Per Share Price, whether or not such Options are vested on the Closing Date. Any Option that has an exercise price per share of Common Stock above the Per Share Price will automatically terminate at Closing. The Option Consideration shall be due and payable to the Optionholders regardless of whether all or any portion of any Option has not vested under the terms set forth therein.

Section 2.09 Completion of the Transition.

(a) Payment of Withheld Additional Closing Payment. Within five (5) Business Days of the completion of (a) the Transition Period, subject to an early termination thereof by Dougherty and Evans after Buyer's receipt of their joint written notice, (b) all of the Transition Events, each as described in Section 5.15(b), and (c) Buyer's receipt of the Transition Certification, Buyer shall pay 12.5% of the Additional Closing Payment to each of Dougherty and Evans, by wire transfer or other immediately available funds to an account designated by them in writing.

(b) Offset of Other Amounts Payable to Buyer. Notwithstanding anything in this Agreement to the contrary, to the extent that there are any Working Capital Adjustments decreasing the Closing Price as finally determined pursuant to Section 2.06, in each case, that are not paid by the Company Holders within the periods required pursuant to 2.06(b), then, in addition to any other rights and remedies available to it, Buyer shall have the right, upon prior written notice to the Sellers Representative, to offset such amount payable by it or its Affiliates, against any amounts payable under Section 2.09(b) pro rata based on the Ownership Percentage.

Section 2.10 No Withholding. Provided that the Company has complied with Section 6.02(d)(vi) of this Agreement, Buyer shall not withhold on account of U.S. federal Tax (absent a change in law after the date of this Agreement) with respect to a Seller who has complied with Section 6.02(d)(viii) of this Agreement.



**ARTICLE III
REPRESENTATIONS AND WARRANTIES OF COMPANY HOLDERS**

Each of the Company Holders represent and warrant to Buyer that, except as disclosed by the Company Holders in the Disclosure Schedule delivered on the date hereof, the following statements contained in this Article III are true, correct and complete as of the date hereof, as follows, provided that any exception set forth in a section or subsection of the Disclosure Schedules shall be deemed to be disclosed for purposes of, and shall qualify, the corresponding section or subsection of this Agreement and any other section or subsection of this Agreement, where it is reasonably apparent on the face of such exception that such exception would be applicable to such other section or subsection:

Section 3.01 Authority of Company Holders. Each Company Holder has all necessary power and authority to execute and deliver this Agreement and the other Transaction Documents to which such Company Holder is a party, to perform and comply with each of its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement has been (and each other Transaction Document to be executed by any Company Holder at or prior to the Closing will be) duly and validly executed and delivered by the Company Holders and, assuming the due authorization, execution and delivery by the other parties hereto and thereto, constitutes (and each other Transaction Document to which any Company Holder is a party, when executed and delivered, and assuming the due authorization, execution and delivery by the other parties hereto and thereto, will constitute) a valid and binding obligation of the Company Holders, enforceable against the Company Holders in accordance with its terms. No Company Holder is suffering under any legal disability that would prevent him from executing, delivering or performing his obligations under this Agreement or the other Transaction Documents to which any Company Holder is a party, or consummating the transactions contemplated hereby or thereby, or make such execution, delivery or performance or consummation voidable or subject to necessary ratification.

Section 3.02 Organization, Authority and Qualification of the Company. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has full power and authority to own and lease all of the properties and assets it now owns and leases and to carry on its business as now being conducted. The Company is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary, except where the failure to be so qualified or in good standing would not have a Material Adverse Effect. Section 3.02(a) of the Disclosure Schedules sets forth each jurisdiction in which the Company is licensed or qualified to do business. Section 3.02(b) of the Disclosure Schedules sets forth a list of any fictitious name, assumed name, or other trade name that the Company has used. The Data Room contains true, correct and complete copies of the Organizational Documents of the Company, as amended to date.



Section 3.03 Capitalization of the Company.

(a) The authorized capital stock of the Company consists of 130,000 shares of Common Stock, 100,000 of which are validly issued and outstanding, fully paid and nonassessable and the Company does not have any shares of preferred stock or any other shares of capital stock authorized, issued or outstanding. Except for the Options, there are no outstanding bonds, debentures, notes or other indebtedness or other securities of the Company in each case, having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) as stockholders on any matter on which the Sellers may vote in their capacity as stockholders. Except for the Options, there are no outstanding options, warrants, registration or other rights or commitments, in each case to issue, sell, exchange, or have registered with the Securities and Exchange Commission (or its equivalent), any shares of capital stock or any securities or obligations convertible into or exchangeable for, or giving any Person any right to acquire from the Company, any shares of capital stock. There are no outstanding obligations of the Company to repurchase, redeem or otherwise acquire any capital stock or other securities of the Company. Except pursuant to the Delaware General Corporation Law, there are no restrictions, including, but not limited to, self-imposed restrictions, on the ability of the Company to declare and pay dividends. There are no stock appreciation rights, phantom stock plans, equity appreciation plans, stock valuation plans or similar agreements or arrangements pursuant to which any Person shall have the right to receive any money or property with respect to the equity securities, capital structure or shareholders equity or any increase in the value of any of them of the Company. The Company has made available to Buyer true, correct and complete copies of any share transfer documentation of the Company, which reflect fully all transfers and redemptions of the Company's capital shares since its date of incorporation.

(b) Sellers are the record owners of and have good and valid title to the Shares, free and clear of all Encumbrances, other than as set forth in the Shareholders Agreement (which shall be terminated as of the Closing pursuant to this Agreement). Section 3.03(b) of the Disclosure Schedules sets forth, for each Seller, the domicile address of such Seller and the number of Shares held by such Seller and the date(s) of acquisition of such Shares. The Shares constitute 100% of the total issued and outstanding capital stock of the Company. The Shares have been duly authorized and are validly issued, fully-paid and nonassessable. Upon consummation of the transactions contemplated by this Agreement, Buyer shall own all of the Shares.

(c) The Company has not adopted, sponsored or maintained any stock option plan or any other plan or agreement providing for equity compensation to any Person, other than the Stock Option Plan and the Options. The Stock Option Plan and each of the Options have been duly authorized, approved and adopted by the Board. The Company has reserved for issuance to the Optionholders 15,000 shares of the Common Stock underlying the Options. The Options have been offered, issued and delivered by the Company in all material respects in compliance with all applicable Laws, including federal and state securities Laws, and in compliance with the Organizational Documents of the Company. Each Option shall be vested in full at or prior to Closing and no Option shall be outstanding after the Closing. Section 3.03(c) of the Disclosure Schedules sets forth, for each Option, the name of the Optionholder, the domicile address of such Optionholder, such Optionholder's job title as an employee of the Company, the date of grant or issuance of such Option, and the number of shares of Common Stock subject to such option and the exercise price of such Option.

(d) The Company Securities were issued in material compliance with applicable Laws. The Company Securities were not issued in violation of the Organizational Documents of the Company or any other agreement, arrangement or commitment to which any of the Company Holders or the Company is a party and are not subject to or in violation of any preemptive or similar rights of any Person.

(e) Other than the Organizational Documents of the Company and the Shareholders' Agreement, there are no voting trusts, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Company Securities.



Section 3.04 No Subsidiaries. The Company has no subsidiaries nor has it ever owned any subsidiaries. The Company does not own or have any interest in, and it has never owned or had any interest in, directly or indirectly, any shares or ownership interests in any other Person.

Section 3.05 No Conflicts; Consents. The execution, delivery and performance by Company Holders of this Agreement and the other Transaction Documents, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) result in a violation or breach of any provision of the Organizational Documents of the Company; (b) result in a violation or breach in any material respect of any provision of any Law or Governmental Order applicable to the Company; (c) result in the creation of any Encumbrance on any assets of the Company; or (d) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default under or result in the acceleration of or create a penalty under, result in a material modification of the effect of, or constitute an impermissible assignment or change of control under any Contract. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to the Company with the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

Section 3.06 Financial Statements. Complete copies of the Company’s financial statements consisting of the balance sheet of the Company as of December 31 in each of the years 2015 and 2014 and the related statement of the Company’s income for the years then ended (the “*Year End Company Financial Statements*”), and financial statements consisting of the balance sheet of the Company as at November 30, 2016 and the related statement of the Company income for the eleven-month period then ended (the “*Interim Company Financial Statements*” and together with the Year End Company Financial Statements, the “*Company Financial Statements*”) have been delivered to Buyer. The Company Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved, subject to the absence of notes, and, in the case of the Interim Company Financial Statements, to normal and recurring year-end adjustments. The Company Financial Statements fairly present in all material respects the financial condition of the Company as of the respective dates they were prepared and the results of the operations of the Company for the periods indicated, all in accordance with GAAP.

Section 3.07 Undisclosed Liabilities. The Company has no liabilities, obligations or commitments of a type required to be reflected on a balance sheet prepared in accordance with GAAP, except (i) those which are adequately disclosed, reflected or reserved against in the Company Financial Statements; and (ii) those which have been incurred in the ordinary course of business since the date of the Interim Company Financial Statements and which are not material in amount.



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Section 3.08 Accounts Receivable. The accounts receivable reflected on the Interim Company Financial Statements and the accounts receivable arising after the date thereof (a) have arisen from bona fide transactions entered into by the Company involving the sale of goods, the rendering of services, or the incurring of costs in the ordinary course of business consistent with past practice; and (b) constitute only valid, and to the Company's Knowledge, undisputed, claims of the Company not subject to claims of set-off or other defenses or counterclaims other than normal cash discounts accrued in the ordinary course of business consistent with past practice.

Section 3.09 Absence of Certain Changes, Events and Conditions. Since January 1, 2016, there has not been, with respect to the Company, any:

- (a) event, occurrence or development that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;
- (b) amendment of the Organizational Documents of the Company;
- (c) split, combination or reclassification of the Common Stock;
- (d) issuance, sale or other disposition of any of its capital stock, or grant of any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any of its capital stock;
- (e) declaration or payment of any dividends or distributions on or in respect of any of its capital stock or redemption, purchase or acquisition of its capital stock;
- (f) change in any method of accounting or accounting practice of the Company, except as required by GAAP or applicable Law or as disclosed in the notes to the Company Financial Statements;
- (g) material change in the Company's cash management practices and its policies, practices and procedures with respect to collection of accounts receivable, establishment of reserves for uncollectible accounts, accrual of accounts receivable, inventory control, prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue and acceptance of customer deposits;
- (h) transfer, assignment, sale or other disposition of any of the assets shown or reflected on the balance sheet included in the Interim Company Financial Statements, except in the ordinary course of business and except for any assets having an aggregate value of less than \$100,000;
- (i) acceleration, termination, material modification to or cancellation of any Contract;
- (j) (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, independent contractors or consultants, other than as provided for in any written agreements, in the ordinary course of business, or required by applicable Law, (ii) change in the terms of employment for any employee or any termination of any employees for which the aggregate increased costs and expenses exceed \$25,000, or (iii) action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, independent contractor or consultant, except as contemplated in this Agreement;



(k) adoption, amendment or modification of any Company Benefit Plan;

(l) establish or increase any bonus, commission, insurance, severance, deferred compensation, pension, retirement, profit sharing, stock option (including the granting of stock options, stock appreciation rights, performance awards or restricted stock awards), stock purchase or other Employee Benefit Plan or arrangement;

(m) incurrence, assumption or guarantee of any indebtedness for borrowed money except Indebtedness that will be repaid at or prior to the Closing or unsecured current obligations and liabilities incurred in the ordinary course of business consistent with past practice;

(n) imposition of any Encumbrance upon any of the Company properties, including, without limitation, any Real Property, capital stock or assets, tangible or intangible, except for Permitted Encumbrances;

(o) any loan to (or forgiveness of any loan to), or entry into any other transaction with, any of its stockholders, Affiliates or current or former directors, officers and employees (other than advancing business expenses to employees in the ordinary course of business);

(p) assignment or, except in the ordinary course of business consistent with past practice, grant of any license or sublicense of any rights under or with respect to any Company Owned Intellectual Property or Company IP Agreements;

(q) material damage, destruction or Loss (whether or not covered by insurance) to its property;

(r) entry into a new line of business or abandonment or discontinuance of existing lines of business;

(s) acquisition by merger or consolidation with, or by purchase of a substantial portion of the assets or stock of, or by any other manner, any business or any Person or any division thereof;

(t) adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;

(u) hiring any employee at a rate more than \$100,000 per year;

(v) purchase, lease or other acquisition of the right to own, use or lease any property or assets for an amount in excess of \$100,000, individually (in the case of a lease, per annum), or \$500,000 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), except for purchases of inventory or supplies in the ordinary course of business consistent with past practice; or

(w) any agreement to do any of the foregoing, or any action or omission that would result in any of the foregoing.



Section 3.10 Material Contracts.

(a) Section 3.10(a) of the Disclosure Schedules lists each of the following Contracts that are in effect and to which the Company is a party or to which it, or any of its assets and properties, is bound (together with all Leases listed in Section 3.11(c) of the Disclosure Schedules, collectively, the “**Material Contracts**”):

- (i) all Contracts with the customers or vendors of the Company, other than Contracts in an amount less than \$100,000;
- (ii) all Contracts between any Company Holders relating to the Company;
- (iii) all Contracts that require the Company to purchase its total requirements of any product or service from a third-party or that contain “take or pay” provisions;
- (iv) Contracts (or substantially related Contracts) for the purchase or sale of products or the furnishing or receipt of services (A) calling for performance over a period of more than one year, which cannot be cancelled by the Company without penalty or without more than 90 days’ notice, (B) in which the Company has granted “most favored nation” pricing provisions relating to any products, services, or territory, or (C) in which the Company has agreed to purchase a minimum quantity of goods or services or has agreed to purchase goods or services exclusively from a certain party;
- (v) all Contracts that provide for the assumption by the Company of any Tax, environmental or other liability of any Person (other than indemnification provisions entered into in the ordinary course of business);
- (vi) all Contracts involving any resolution or settlement of any Claim during the five (5) years prior to the date hereof or where there are any outstanding obligations of the Company;
- (vii) all Contracts with independent contractors or consultants providing services to the Company in the amount over \$75,000;
- (viii) all broker, distributor, dealer, franchise, agency, sales promotion, sales representative, market research, marketing consulting and advertising Contracts to which the Company is a party, in each case, which the undelivered balance of such products and services has a selling price in excess of \$75,000;
- (ix) except for agreements relating to trade receivables in the ordinary course of business, all Contracts relating to Indebtedness (including, without limitation, guarantees) of the Company, or granting an Encumbrance (other than a Permitted Encumbrance) upon any property or asset of the Company, other than with respect to Indebtedness that will be repaid or Encumbrances that will be released at or prior to Closing;
- (x) Contracts under which the Company has made or will make, directly or indirectly, any advance, loan, extension of credit or capital contribution to, or other investment in, any Person (other than the Company) or any Contracts relating to the making of any such advance, loan, extension of credit, capital contribution or other investment;



(xi) Contracts providing for indemnification of any Person outside of the ordinary course of business;

(xii) all Contracts with any Governmental Authority;

(xiii) all Contracts that limit or purport to limit the ability of the Company to compete in any line of business or with any Person or in any geographic area or during any period;

(xiv) all Contracts that relate to the acquisition of any business, stock or a material amount of assets of any other Person or any real property (whether by merger, sale of stock, sale of assets or otherwise);

(xv) any right of first refusal, right of first negotiation or right of first offer in favor of a party other than the Company;

(xvi) any Contracts to which the Company is a party that provide for any joint venture, partnership or similar arrangement by the Company;

(xvii) all collective bargaining agreements or Contracts with any labor organization, union or association to which the Company is a party;

(xviii) all Company IP Agreements (excluding licenses or subscription agreements for commercially available, off-the-shelf software with an aggregate annual cost of less than \$25,000); and

(xix) Contracts under which the consequences of a default or termination could reasonably be expected to result in a Material Adverse Effect, to the extent not listed in (i)-(xviii) above.

(b) Each Material Contract is in full force and effect, and is valid and binding and enforceable in accordance with its terms against the Company and, to the Knowledge of the Company, the other parties thereto, subject to applicable bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or similar Laws affecting creditors' rights generally and general principles of equity. A true, correct and complete copy of each written Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) and a true, correct and complete summary of each oral Material Contract has been made available in the Data Room or otherwise delivered to Buyer and its Representatives. There is no material violation, breach or default under any Material Contract by the Company or, to the Knowledge of the Company, by any other party thereto, and the Company has not received or given written notice of any default or claimed or purported or alleged default on the part of any party in the performance or payment of any Material Contract. No notice, waiver, consent or approval is required (or the lack of which would give rise to a right of termination, cancellation or acceleration of, or entitle any party to accelerate, whether after the giving of notice or lapse of time or both, any obligation under the Material Contracts) under or relating to any Material Contract in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby and thereby.

(c) Schedule 3.10(c) of the Disclosure Schedules lists any Contracts (except for agreements relating to trade receivables in the ordinary course of business) relating to Indebtedness of the Company as of the date hereof that will be repaid at or prior to Closing, or Encumbrances (other than Permitted Encumbrances) upon any property or asset of the Company that will be repaid or Encumbrances that will be released at or prior to Closing, to the extent not listed in Schedule 3.10(a) of the Disclosure Schedules.



Section 3.11 Title to Assets; Real Property.

(a) The Company has good and valid title to, or a valid leasehold interest in, all Real Property, personal property and other assets owned, used or leased by the Company, including those which are reflected as owned or leased by the Company in the Company Financial Statements or acquired after the date of the Interim Company Financial Statements. All such properties and assets (including leasehold interests) are free and clear of Encumbrances except for the following (collectively referred to as “**Permitted Encumbrances**”):

(i) liens for Taxes not yet due and payable or being contested in good faith by appropriate procedures (and that have been reflected or reserved against in the Interim Company Financial Statements in accordance with GAAP);

(ii) mechanics, carriers’, workmen’s, repairmen’s or other like liens (collectively, “**Mechanics’ Liens**”) arising or incurred in the ordinary course of business consistent with past practice securing amounts that are not overdue (and that have been sufficiently reflected or reserved against in the Interim Company Financial Statements), which Mechanics’ Liens shall be discharged by Sellers to Buyer’s satisfaction at or prior to the Closing;

(iii) easements, rights of way, zoning ordinances and other similar Encumbrances of record affecting Real Property, which are not, individually or in the aggregate, material to the business of the Company;

(iv) imperfections or irregularities of title and other Encumbrances that would not, individually or in the aggregate, materially detract from the value of, or materially interfere with or violate, the present use of the asset or property subject thereto; and

(v) any non-perpetual, non-exclusive license of Company Owned Intellectual Property granted to customers in the ordinary course of business.

(b) Section 3.11(b) of the Disclosure Schedules lists the street address of each parcel of leased Real Property, and a true, correct and complete list, as of the date of this Agreement, of all leases, subleases, licenses and any other occupancy agreements (and all modifications, amendments, supplements, renewals and extensions thereto) for each parcel of Real Property leased, subleased, licensed or otherwise occupied by the Company (collectively, the “**Leases**”), including the identification of the lessee(s) and lessor(s) thereunder. The Data Room contains true, correct and complete copies of each Lease, including any and all modifications, amendments, supplements, renewals or extensions thereto. The Company enjoys peaceful and undisturbed possession of its interests under all Leases. The Company does not own any Real Property.



(c) All items of equipment and other tangible personal property owned or leased by the Company are, in all material respects, in good operating condition and repair, ordinary wear and tear excepted, and are adequate for the conduct of the business of the Company as currently conducted in all material respects.

(d) There are no assets (real, personal, tangible or intangible) owned or leased by any Company Holder or its Affiliates (other than the Company) which have been used by the Company in the six (6) months prior to the date of this Agreement which are necessary for the conduct of the Company's business as currently conducted.

(e) With respect to each such Lease: (i) such lease or sublease is legal, valid and binding, enforceable, and in full force and effect, against the Company and, to the Knowledge of the Company, the other parties thereto, subject to applicable bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or similar Laws affecting creditors' rights generally and general principles of equity, (ii) the Company is not, and to the Knowledge of the Company, no other party to the Lease is in material breach or default, (iii) the Company has not assigned, transferred, conveyed, mortgaged, deeded in trust, or encumbered any interest in the Lease, and (iv) all facilities leased or subleased are supplied with utilities and other services reasonably necessary for the operation of the facilities under the Lease as currently conducted.

(f) The present use and occupancy of the Real Property, and all aspects of any buildings, structures and all fixtures (each, an "**Improvement**") to the Real Property, are in compliance in all material respects with all Laws applicable to such Real Property and Improvements and with all private restrictive covenants of record and zoning ordinances, and, to the Company's Knowledge, there are not any proposed change in zoning that would affect any of the Real Property or its use, occupancy or operation in any material respect. To Company's Knowledge, no Improvement encroaches on any adjacent property, and no Improvement has been constructed on any Real Property subsequent to the date of the Interim Company Financial Statements. To the Company's Knowledge, no Improvement has been physically damaged in any material respect by any casualty or act of God, or been subject to any condemnation or eminent domain proceedings. To Company's Knowledge, no condition exists with respect to the Real Property or any of its Improvements that would prevent, or require material repair or modification thereof as a prerequisite to, the Company continuing to use the Real Property (subject to the terms of Lease) in the ordinary conduct of the business, as presently conducted, except with respect to ordinary wear and tear and scheduled maintenance. There is no proceeding pending or, to the Knowledge of the Company, threatened with or before any Governmental Authority, relating to any Real Property.

(g) Except as reflected in the books and records of the Company, neither the Company, nor any other Person has caused any work or Improvements to be performed upon or made to any of the Real Property for which there remains outstanding any material payment obligation that would reasonably be expected to serve as the basis for an Encumbrance in favor of the Person who performed the work.

(h) All requisite certificates of occupancy and other material Permits and approvals required with respect to the Improvements and the use, occupancy and operation thereof have been obtained or the Company is in the process of obtaining same and such process and status thereof is specifically noted in Section 3.11(g) of the Disclosure Schedules.



Section 3.12 Intellectual Property.

(a) “*Intellectual Property*” means any and all of the following in any jurisdiction throughout the world: (i) registered or unregistered trademarks and service marks, trade dress, logos, trade names, brand names, taglines and corporate names, including all applications, registrations, and renewals and the goodwill connected with the use of and symbolized by the foregoing; (ii) registered or unregistered copyrights and works of authorship, including all applications, registrations, and renewals related to the foregoing; (iii) trade secrets, confidential and proprietary business information, and know-how; (iv) patents, patent applications, patent disclosures and other patent rights, including any reissuances, continuations, continuations-in-part, revisions, extensions and reexaminations and interferences thereof; (v) internet domain name registrations; and (vi) any other equivalent intellectual property rights.

(b) Section 3.12(b)(i) of the Disclosure Schedules identifies all Company Owned Intellectual Property that is subject to an application or registration, including internet domain name registrations (“*Company Owned Registered Intellectual Property*”), and includes, as applicable, the date of such registration or application, the jurisdiction of such registration or application, the application or registration numbers, and the expiration date of the applicable registrations. The Company has timely paid all maintenance and renewal fees for such registrations and applications. The Company has taken commercially reasonable steps to maintain the confidentiality of all material trade secrets and other material confidential information included in the Company Owned Intellectual Property. Except as set forth on Section 3.12(b) of the Disclosure Schedules, the Company owns the Company Owned Intellectual Property free of any Encumbrances, except Permitted Encumbrances. To the Company’s Knowledge, each item of Company Owned Registered Intellectual Property is valid, in full force and effect and has not expired or been cancelled, abandoned or otherwise terminated. To the Company’s Knowledge, the Company Intellectual Property is sufficient for Buyer and the Company to conduct the business of the Company from and after the Closing in all material respects as presently conducted or proposed to be conducted by the Company or Buyer. This Section 3.12(b) is not intended to, and does not, constitute a representation of non-infringement of third-party Intellectual Property rights, which is addressed solely in Section 3.12(c).

(c) To the Company’s Knowledge, neither the Company Intellectual Property, nor the business of the Company as currently conducted, misappropriates, violates or infringes upon any Intellectual Property of any other Person in a material manner. There are no Claims or Governmental Orders pending or, to the Company’s Knowledge, threatened in writing alleging any such infringement or violation or challenging the Company’s rights in or to any Company Owned Intellectual Property. To the Company’s Knowledge, no Person is infringing, misappropriating or otherwise violating any Company Owned Intellectual Property in a material manner.



(d) The Company has taken commercially reasonable steps to secure the assignment of all rights in Company Owned Intellectual Property from those employees, agents, consultants and contractors, who have made contributions to the development of material Intellectual Property. To the Company's Knowledge, no such Intellectual Property was developed using funds obtained by the Company under any grants from any Governmental Authority.

(e) Except as set forth on Section 3.12(e) of the Disclosure Schedules, to the Company's Knowledge, (i) the execution, delivery and performance by the Company Holders of this Agreement, and the consummation of the transactions contemplated hereby, will not result in the loss or impairment of, or give rise to any right of, any third party to terminate or re-price or otherwise modify any of the Company's rights or obligations under any Company IP Agreement, nor entitle any Person to impose any material restriction upon, obtain any rights to, or receive any compensation based on, the Company Owned Intellectual Property, nor alter or impair the Company's rights in or to any Company Owned Intellectual Property, and (ii) the Company Owned Intellectual Property will remain in full force and effect on and immediately after the Closing.

(f) The software used in the business of the Company (i) performs in material conformance with its documentation; (ii) is free from any material defect; and (iii) does not contain any virus, software routine or hardware component designed to permit unauthorized access or to disable or otherwise harm any computer, systems or software, or any software routine designed to disable a computer program automatically with the passage of time or under the positive control of a Person other than an authorized licensee or owner of the software. For proprietary software, the Company has possession of or access to the source code, object code, and documentation sufficient to enable a software developer of reasonable skill to independently understand, debug, repair, revise, modify, enhance, compile, support and otherwise utilize such software for each material version of software. Except as set forth on Section 3.12(f) of the Disclosure Schedules, no Person has possession of or access to or will be entitled to obtain possession of any source code of the Company's proprietary software.

(g) The Company has not used any Open Source Software in a manner that would require it to share improvements to Open Source Software, or any software owned by the Company, with the open source community or any third party.

(h) To the Company's Knowledge, all computer systems, networks, hardware, technology, software, algorithms, Company databases, Company websites, and equipment used to process, store, maintain and operate data, information, and functions used in connection with the business of the Company (collectively, the "**IT Systems**") are, in all material respects, in good operating condition and repair, ordinary wear and tear excepted, and are adequate for the conduct of the business of the Company as currently conducted in all material respects. To the Company's Knowledge, there have been no material malfunctions or breakdowns of the IT Systems in the thirty-six (36) months prior to the date of this Agreement. The Company maintains commercially reasonable controls and processes that are designed (i) to provide for the backup and restoration of critical data, and (ii) to manage physical access to the IT Systems.

(i) This Section 3.12 contains the sole and exclusive representations and warranties relating to intellectual property matters.



Section 3.13 Customers. Section 3.13 of the Disclosure Schedules sets forth (i) the top twenty (20) customers of the Company by gross revenue, for each of the fiscal years of the Company ended December 31, 2015 and December 31, 2014, and for the eleven-month period ending November 30, 2016 (collectively, the “**Material Customers**”); and (ii) the amount of consideration paid by each Material Customer during such periods. To the Company’s Knowledge, none of the Material Customers has ceased to use the Company’s goods or services or to otherwise terminate or reduce its relationship with the Company.

Section 3.14 Data Privacy.

(a) The Company has and adheres to an information and data security policy (the “**Security Policy**”) that is in material compliance with applicable Laws relating to personally identifiable information, as the term or similar term is defined under applicable privacy Law (“**PII**”). The Company has commercially reasonable security measures and safeguards in place to protect PII in its possession or that it receives in accordance with applicable privacy Law. To the Company’s Knowledge, in the thirty-six (36) months prior to the date of this Agreement, no Person has gained unauthorized access to or made any unauthorized use of any confidential information, including PII, which the Company received or is in the Company’s possession. In the thirty-six (36) months prior to the date of this Agreement, the Company has not received any written notice or complaint regarding its collection, storage, destruction, use or disclosure of PII. To the Company’s Knowledge, there has been no security breach relating to, no violation of any security policy regarding, and no unauthorized access to or unauthorized use of any personal information stored, processed or used by or on behalf of the Company.

(b) The consummation of the transactions contemplated in this Agreement does not violate in any material respect (i) the Security Policy, and to the Company’s Knowledge, any other security policy, as it currently exists or as it existed at any time during which any of the PII was collected or obtained, or (ii) any agreement between the Company and any third party with regard to the use, dissemination or transfer of any personal information.

(c) The Company is in material compliance with the terms of all Contracts to which the Company is a party relating to data privacy, security, or breach notification, including provisions that impose conditions or restrictions on the collection, use, storage, transfer or disposal of PII.

(d) This Section 3.14 contains the sole and exclusive representations and warranties relating to privacy matters.

Section 3.15 Insurance. Section 3.15 of the Disclosure Schedules sets forth, separately, listings, as of the date hereof, of (a) all insurance policies owned or maintained by the Company (other than Company Benefit Plans); and (b) all insurance policies owned or maintained by Company Holders or any Affiliate of any Company Holder (other than the Company) with respect to which the Company is a named insured or otherwise the beneficiary of coverage (collectively, the “**Insurance Policies**”). All premiums due on the Insurance Policies have been paid or accrued, and the Company has not received any notice of cancellation with respect thereto. The Insurance Policies are sufficient for compliance by the Company with (i) all requirements of applicable Law and (ii) all Contracts to which the Company is a party, and the Company has complied in all material respects with the provisions of any Insurance Policy. The Company has not been refused any insurance or suffered the cancellation of any insurance with respect to the assets, properties or operations of the Company by any insurance carrier to which it has applied for any such insurance or with which it has carried insurance during the last five (5) years. There are no pending or, to the Knowledge of the Company, threatened claims under any insurance policy. Correct and complete copies of all of the Insurance Policies are contained in the Data Room. The Insurance Policies are in full force and effect.



Section 3.16 Legal Proceedings.

(a) Except as set forth in Section 3.16(a) of the Disclosure Schedules, there are no Claims pending or, to the Company's Knowledge, threatened (i) against or by the Company or (or by or against any Company Holder or any Affiliate thereof and relating to or that may affect the Company's business) or affecting the Company or any of its properties or assets, or (ii) against or by the Company, any Company Holder or any Affiliate of any Company Holder that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement or the other Transaction Documents.

(b) There are no unsatisfied judgments, penalties or awards against or affecting the Company or any of its properties or assets.

(c) For the ten (10) years prior to the date hereof, there has not been any Claim in respect of the Company that (i) resulted in a judgment against or settlement by the Company (whether or not such judgment or settlement was paid, in whole or in part, by an insurer of the Company or other third party), (ii) resulted in any equitable relief or (iii) relates to the transactions contemplated by this Agreement.

Section 3.17 Compliance with Laws; Permits.

(a) The Company is in compliance in all material respects with all Laws and Governmental Orders applicable to it or its business, properties or assets. The Company has not received any notices from any Governmental Authority alleging any violation under any applicable Law or Governmental Order. To the Knowledge of the Company, the Company is not, and has not been for three (3) years prior to the date of this Agreement, under investigation with respect to any violation or potential violation of any Law.

(b) All Permits required for the Company to conduct its business, including but not limited to those required to be held by the Company pursuant to any Material Contract, have been obtained by the Company and are valid and in full force and effect. All fees and charges with respect to such Permits as of the date hereof have been paid in full or accrued. Section 3.17(b) of the Disclosure Schedules lists all current Permits issued to the Company, including the names of the Permits, their respective dates of issuance and expiration, and the authorities granting such Permits.

Section 3.18 Services Warranty Claims. As of the date hereof, there are no outstanding Claims against the Company by any customer arising out of or in connection with any alleged defect in service, quality, materials, workmanship, fitness, or performance arising out of any services provided by the Company, or any other non-conformity with contractual commitments with customers or express or implied customer warranties.



Section 3.19 Environmental Matters.

(a) The Company is and, for the three (3) years prior to the date of this Agreement, has been in compliance with all Environmental Laws and has not, and the Company Holders have not, received from any Person any (i) Environmental Notice or threatened or actual Environmental Claim, or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Closing Date. The Company has no Knowledge of any Environmental Claim or any pending or threatened investigation by any Governmental Authority of the Company or any Real Property owned or leased by the Company relating to any alleged violation of, or potential liability of the Company pursuant to, any Environmental Law.

(b) Neither the Company nor any of the Company Holders has retained or assumed, by Contract or operation of Law, any liabilities or obligations of any third parties under Environmental Law.

Section 3.20 Export Control Law Matters

(a) The Company has complied with all Export Control Laws in all material respects, and there is no ongoing action by the Company that, if allowed to continue, would violate any Export Control Laws. The Company does not manufacture any export-controlled products under the U.S. International Traffic in Arms Regulations or the Export Administration Regulations. Neither the Company nor any of the Company Holders has received, directly or indirectly, from any Governmental Authority a Governmental Order, written request for information, or notice of investigation or enforcement action pursuant to Export Control Law, any of which remain pending or unresolved, or are the source of ongoing obligations or requirements, as of the Closing Date. Neither the Company nor any of the Company Holders has submitted any voluntary disclosures of actual or potential Export Control Law violations to any Governmental Authority that remain pending or unresolved, or are the source of ongoing obligations or requirements as of the Closing Date.

(b) All Export Permits required for the Company to conduct its business have been obtained by the Company and are valid and in full force and effect.

(c) Set forth in Section 3.20(c) of the Disclosure Schedules is a list of all Export Control Classifications, Export Permits needed to conduct ongoing business operations (e.g., Technical Assistance and Manufacturing License Agreements), Company export compliance program elements (i.e., policies, procedures, and related tools aimed at compliance with Export Control Laws), audits, records, and other similar documents with respect to the Company.

Section 3.21 Government Contracts.

(a) With respect to each Government Contract:

(i) all representations and certifications and claims for payment relating to Government Contracts were complete and correct in all material respects as of their effective dates, and neither Company nor, to the Knowledge of the Company, any of their respective employees, agents, or representatives, in their capacity as such, has committed any violation of any Law applicable to any such Government Contract;



(ii) each Company is in compliance in all material respects with all terms and conditions of each current Government Contract, including the Federal Acquisition Regulation requirements governing the acquisition of commercial items;

(iii) there have been no document requests, subpoenas, search warrants or civil investigative demands issued under or in respect of any such Government Contract, and neither Company nor, to the Knowledge of the Company, any of the officers, employees, Affiliates, agents or representatives of either Company, in their capacity as such, has been under administrative, civil or criminal investigation, indictment or criminal information, or audit by a Governmental Authority with respect to any violation of contractual requirements or violation of applicable Law, including but not limited to any faulty or defective work product, mischarging, factual misstatement, failure to act, or other omission or alleged irregularity arising under or relating to any Government Contract or bid pertaining thereto;

(iv) neither Company nor, to the Knowledge of the Company, any other Person or any predecessor of either Company has conducted any internal audit, review or inquiry in which any outside legal counsel, auditor, accountant or investigator was engaged with respect to any suspected, alleged or possible violation of a requirement of a Government Contract or a possible violation of applicable Law by either Company; and

(v) (A) the Company has not undergone or is not undergoing any audit, inspection, survey or examination of records by any Governmental Authority relating to any Government Contract, and (B) the Company has not received written notice of and, to the Knowledge of the Company, the Company has not undergone any investigation or review relating to any Government Contract.

Section 3.22 Employee Benefit Matters.

(a) Section 3.22(a) of the Disclosure Schedules contains a true and complete list of each Employee Benefit Plan maintained or contributed to by the Company or under which the Company has any obligations (other than obligations to make current wage or salary payments or sales commissions terminable on notice of 30 days or less) or liabilities, actual or contingent, whether or not legally binding, in respect of, or which otherwise cover, any of the current or former officers, directors, consultants, agents, equity holders, freelancers, employees or independent contractors of the Company Holders or their dependents or beneficiaries (the items required to be disclosed in Section 3.22(a), Section 3.23(f)(i), and Section 3.23(f)(ii) of the Disclosure Schedule may be hereinafter individually referred to as a “*Company Benefit Plan*” and collectively referred to as the “*Company Benefit Plans*”). The Data Room contains true and complete copies of all documents, as amended through the date hereof, embodying or relating to the Company Benefit Plans, any employee handbook and the following documents with respect to each Company Benefit Plan (including any amendments): (i) all plan documents, adoption agreements, summary annual reports, summary plan descriptions, summaries of material modifications, trust agreements, annuity contracts, service provider contracts, insurance contracts, policies, certificates of coverage, riders, endorsements, or applications; (ii) the most recent determination, advisory or opinion letter received from the Internal Revenue Service (“*IRS*”) with respect to any Company Benefit Plan intended to be qualified under Section 401(a) of the Code; (iii) Form 5500 for the most recently completed five plan years for each Company Benefit Plan required to file Form 5500, together with the five most recent certified financial statements and actuarial reports prepared by the Company Benefit Plan’s enrolled actuary; (iv) copies of all documents and correspondence related to any Company Benefit Plan received from, or provided to, any Governmental Authority; and (v) nondiscrimination testing and supporting materials for the most recent plan year for each Company Benefit Plan required to undertake nondiscrimination testing.



(b) The Company has timely made all contributions it is required to make to or with respect to each Company Benefit Plan, as required by applicable Law and the terms of such Company Benefit Plan or has made appropriate correction in accordance with applicable Law. As of the Closing Date, the Company has paid or accrued all liabilities on account of any Company Benefit Plan in existence on or prior to the Closing Date, including, without limitation, liabilities related to the Company's vacation and other paid time off programs, liabilities related to premiums due or payable with respect to insurance policies funding any Company Benefit Plan or, to the extent not required to be made or paid on or before the Closing Date, have been fully reflected in line items on the interim balance sheet, liabilities with respect to the administration or termination of any such Company Benefit Plan or participation in such Company Benefit Plan, liabilities with respect to any retirees, former employee's, consultant's, or director's employment of service with the Company, liabilities with respect to any individual receiving continuation of coverage benefits in accordance with the provisions of COBRA and state benefits continuation laws, and any accrued but unpaid claim, whether known or unknown as of the Closing, under any such plan. All contributions for any period ending on or before the Closing Date that are not yet due have been made to each Company Benefit Plan or accrued.

(c) Each Company Benefit Plan and related trust agreement is and has been established, maintained, operated and administered in material compliance both as to form and operation with its terms and with applicable Laws (including ERISA, the Code, and the rules and regulations thereunder). With respect to each Company Benefit Plan, all reports, returns, notices and other documentation that are required to have been filed with or furnished to any Governmental Authority, or to the participants or beneficiaries of such Company Benefit Plan, have been timely filed or furnished or appropriate correction has been made in accordance with applicable Law. Any correction made under the preceding sentence in the three (3) years prior to the date hereof is disclosed in Section 3.22(c) of the Disclosure Schedules. The Company has the right to amend, modify and terminate benefits with respect to both retired and active employees. Neither the Company nor, to the Company's Knowledge, any "party in interest" or any "disqualified person" with respect to any Company Benefit Plans has engaged in a non-exempt "prohibited transaction" within the meaning of Section 4975 of the Code or Section 406 of ERISA, or in a similar transaction with respect to any Company Benefit Plans, and neither the Company nor any fiduciary of any Company Benefit Plan has any liability with respect to any transaction in violation of Sections 404 or 406 of ERISA. The Company has not participated in a violation of Part 4 of Title 1, Subtitle B of ERISA by any plan fiduciary of any Company Benefit Plan.

(d) Each Company Benefit Plan that is intended to be qualified under Section 401(a) of the Code is so qualified and has received a favorable determination letter from the IRS, (or, if such plan is a prototype or volume submitter plan document, such prototype or volume submitter plan document has received a favorable opinion from the IRS that the form meets the tax qualification requirements) to the effect that such Company Benefit Plan satisfies the requirements of Section 401(a) of the Code and the trust related thereto is exempt from federal income taxes under Section 501(a) of the Code.



(e) No Company Benefit Plan, is and neither the Company nor any of its ERISA Affiliates has ever sponsored maintained, contributed to or been required to contribute to an Employee Benefit Plan that is or was, subject to any of the following: Sections 412, 430, 431, 432 or 436 of the Code or Sections 302, 303, 304 or 305 of ERISA. Neither the Company nor any of its ERISA Affiliates: (i) has terminated any Title IV Plan within the last six years or incurred and does not expect to incur any liability under Section 4062, 4063, 4064 or 4071 of ERISA; (ii) has paid all premiums due to the Pension Benefit Guaranty Corporation (“**PBGC**”) with respect to the Title IV Plans as of the date hereof and all premiums will be paid as of the Closing Date; (iii) has, as of the date hereof, filed a notice of intent to terminate any Title IV Plan and has not adopted an amendment to treat such Title IV Plan as terminated; (iv) has not had any action instituted against it or, to the Knowledge of the Company, threatened to be instituted against it, by the PBGC under Section 4070 of ERISA with respect to any Title IV Plan; (v) within the last six years, has transferred any assets or liabilities of an Employee Benefit Plan subject to Title IV of ERISA which had, at the date of such transfer, any “amount of unfunded benefit liabilities,” as defined in Section 4001(a)(18) of ERISA, or has engaged in a transaction which may be subject to Section 4212(c) or Section 4069 of ERISA; and (vi) has obtained any bonding required with respect to the Company Benefit Plans in accordance with applicable provisions of ERISA which is in full force and effect. No Company Benefit Plan is, and neither the Company nor any of its ERISA Affiliates has ever contributed to, or been obligated to contribute to, a “multiemployer plan” (within the meaning of Sections 3 (37) or 4001(a)(3) of ERISA) under Subtitle E of ERISA or has any liability with respect to such multiemployer plan.

(f) No Company Benefit Plan is, and neither the Company nor any of its ERISA Affiliates has ever maintained, sponsored or contributed to or been required to contribute to, a “multiple employer plan” within the meaning of Section 4063 or 4064 of ERISA. No Company Benefit Plan that is an “employee welfare benefit plan” under Section 3(1) of ERISA is or was (i) a “multiple employer welfare arrangement” within the meaning of Section 3(40) of ERISA, (ii) a “voluntary employees’ beneficiary association” within the meaning of Section 501(c)(9) of the Code or other funding arrangement for the provision of welfare benefits, or (iii) self-insured in whole or in part by the Company.

(g) Each Company Benefit Plan may be terminated, suspended or amended, or the Company’s participation therein may be suspended or terminated, without such termination, suspension or amendment resulting in liability to Buyer for any additional contributions, penalties, premiums, fees, fines, excise Taxes, or any other charges or liabilities (other than administrative costs for winding down the plan).

(h) Other than as required under Section 4980B of the Code or other applicable Law, no Company Benefit Plan provides benefits or coverage in the nature of health, life or disability insurance following retirement or other termination of employment (other than death benefits when termination occurs upon death) to employees, or former employees of the Company, officers or directors, independent contractors, or any dependent or beneficiary thereof.



(i) No actions, investigations, suits or Claims with respect to any Company Benefit Plan are pending or, to the Knowledge of the Company, threatened, and, to the Knowledge of the Company, there are no facts that reasonably would be expected to give rise to any such actions, suits or Claims against any Company Benefit Plan, any fiduciary with respect to a Company Benefit Plan or the assets of a Company Benefit Plan (other than routine claims for benefits) that would reasonably be expected to result in any material liability, direct or indirect (by indemnification or otherwise) of the Company to the Department of Labor, the IRS or any other Person, and, to the Knowledge of the Company, no event has occurred that would reasonably be expected to give rise to any such liability. No Company Benefit Plan has within the three (3) years prior to the date hereof been the subject of an examination or audit by any Governmental Authority.

(j) No asset of the Company or any of its ERISA Affiliates is subject to any Encumbrance or lien under ERISA or the Code. Neither the Company nor any of its ERISA Affiliates has or ever had the obligation to maintain, establish, sponsor, administer, participate in, or contribute to any plan or program (whether formal or informal) for the benefit of employees who perform services outside the United States. No Company Benefit Plan is subject to any Tax under Section 512 of the Code and no unpaid civil penalty under Section 502(l) of ERISA has been assessed. Neither the Company nor any of its ERISA Affiliates has announced a plan or legally binding commitment to create any additional Employee Benefit Plan, program or arrangement which is intended to cover employees or former employees of the Company or any ERISA Affiliate. No event has occurred that would reasonably be expected to require the Company or any of its ERISA Affiliates to indemnify any Person against liability incurred under any statute, regulation or Governmental Order as it relates to a Company Benefit Plan.

(k) Except as provided to the Optionholders under Section 2.08, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in combination with any other event) (i) trigger a termination of employment entitling any employee or former employee of the Company or any Affiliate to additional benefits; (ii) result in a Bonus Payment or any other payment becoming due, or increase the amount of compensation due, from the Company to any Employee or former Employee; (iii) result in the increase of any benefits otherwise payable to any person under any agreement or under any Company Benefit Plan; (iv) result in the acceleration of the time of payment or vesting of any such compensation or benefits; or (v) result in the acceleration of, accrual of, or creation of any rights of any person to benefits under any Company Benefit Plan. To the Knowledge of the Company, no event has occurred that may result (i) in an increase in premium costs of any Company Benefit Plan that is insured or (ii) an increase in the cost of any Company Benefit Plan that is self-insured. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not (either alone or in combination with any other event) result in the payments of any amount that would, individually or in combination with any other payment, constitute an “excess parachute payment” as defined in Section 280G of the Code.

(l) The Company Benefit Plans contain language indicating that no individual who has been classified by the Company as a non-employee (such as an independent contractor, leased employee, consultant, or any employee of any of the foregoing) shall be retroactively eligible to participate in any Company Benefit Plans if such individual is later reclassified as an employee of the Company. No employee of the Company is a “leased employee” within the meaning of Section 414(n) of the Code. The Company has never been bound by any collective bargaining agreement or agreement with a works council or similar association to maintain or contribute to any Company Benefit Plan.



(m) Each Company Benefit Plan is and at all times has been maintained, funded, operated and administered, and the Company has performed all of its obligations under each Company Benefit Plan, in each case in accordance with the terms of such Company Benefit Plan and in compliance with all applicable Laws, including ERISA and the Code. The Company has complied with all applicable Laws, including the provisions of COBRA, the Health Insurance Portability and Accountability Act of 1996, the Family and Medical Leave Act of 1993 and the Patient Protection and Affordable Care Act (PPACA) of 2010, as each such Law has subsequently been amended. All contributions and payments made or accrued with respect to all Company Benefit Plans are deductible under Sections 162 or 404 of the Code.

(n) No Company Benefit Plan is a non-qualified deferred compensation plan within the meaning of Section 409A of the Code. To the extent any Company Benefit Plan is a deferred compensation plan subject to Section 409A of the Code, Section 3.22(a) of the Disclosure Schedule sets forth each agreement, Contract, plan or other arrangement, whether or not written and whether or not a Company Benefit Plan, to which the Company is or has been a party that is a “nonqualified deferred compensation plan” within the meaning of Section 409A of the Code (each, a “**409A Plan**”). No 409A Plan has assets set aside directly or indirectly in the manner described in Section 409A(b)(1) of the Code or contains a provision that would be subject to Section 409A(b)(2) of the Code. Each 409A Plan complies, and has since its inception complied, both in form and operation with the applicable requirements of Section 409A (a)(2) and (3) of the Code, the Treasury Regulations thereunder and any IRS guidance with respect thereto, and no amount paid or payable under any 409A Plan is, has been or will be subject to the interest and additional Tax provided for in Section 409A(a)(1)(B) of the Code. The Company has no actual or potential liability to reimburse or otherwise “gross-up” any Person for any interest or additional Tax imposed pursuant to Section 409A of the Code or Section 4999 of the Code.

(o) Neither the Company nor any of its ERISA Affiliates has contributed to a nonconforming group health plan (as defined under Section 5000(c) of the Code), and no ERISA Affiliate has incurred a Tax under Section 5000(a) of the Code which could become a liability of any of the Companies or any of their ERISA Affiliates. The Company does not maintain any plan that is an “employee welfare benefit plan” (as such term is defined under Section 3(1) of ERISA) that has provided any “disqualified benefit” (as such term is defined in Section 4976(b) of the Code) with respect to which an excise Tax could be imposed under Section 4976 of the Code.

Section 3.23 Employment Matters.

(a) The Company has made available in the Data Room a list of all persons who are employees, independent contractors or consultants of the Company as of the date hereof, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following (collectively, the “**Personnel Information**”): (i) name; (ii) title or position (including whether full or part time, employee or independent contractor, and exempt or non-exempt classification); (iii) hire date; (iv) current annual base compensation rate or hourly rate, as applicable; (v) commission, bonus or other incentive-based compensation; and (vi) status of legal authorization to work in jurisdiction. The Company has made available in the Data Room a complete and accurate lists of the China Personnel and India Personnel and each of their Personnel Information as of the date hereof. Other than as set forth in the Company Financial Statements, all compensation, including wages, commissions and bonuses, payable to all Employees, independent contractors, or consultants of the Company for services performed on or prior to the most recent regularly scheduled payroll date prior to the date hereof have been paid in all material respects. The Company does not have any material liability with respect to any misclassification of any individual who has received compensation for the performance of services on behalf of the Company as an independent contractor rather than as an employee or any employee classified as exempt from overtime pay, or the equivalent under applicable Law.



(b) Section 3.23(b) of the Disclosure Schedules contains a list of all persons who are executive or director-level employees or officers of the Company as of the date hereof (collectively, the “**Senior-Level Employees**”). To the Company’s Knowledge, none of the Senior-Level Employees intends to terminate his or her employment with the Company within one (1) year after the date of this Agreement.

(c) The Company is not a party to, or bound by, any collective bargaining or other agreement with a union, works council or other labor organization representing any of its Employees and is not operating under the terms of any expired collective bargaining agreement or labor union contract. There are no grievances, arbitrations, unfair labor practice charges, or other labor disputes pending or, to the Knowledge of the Company, threatened against the Company. To the Knowledge of the Company, (a) no employee of the Company is represented by a labor union, (b) no labor organization, labor union or other entity purporting to represent the interests of the employees of the Company has demanded recognition by or collective bargaining with the Company, (c) no petition has been filed or proceedings instituted by an employee or group of employees of the Company with any labor relations board seeking recognition of a bargaining representative and (d) there is no organizational effort currently being made or threatened by, or on behalf of, any labor union to organize employees of the Company. During the three (3) years prior to the date hereof there has not been, or to the Company’s Knowledge, there has not been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime, corporate campaign, picketing or strikes, or any other form of organized labor interference between the Company, on the one hand, and its employees or any labor organization purporting to represent the interests of the employees of the Company, on the other hand.

(d) The Company has complied with the WARN Act, and any similar state Law requiring notice or payment in lieu of notice in the event of an employment Laws covered under any such Laws. The Company shall not, at any time within the sixty (60) days prior to and through the Closing Date, effect or permit any action that would trigger any liability under the WARN Act or comparable state or local Laws or ordinances. Buyer shall not, at any time within the sixty (60) days after the Closing Date, effect or permit any action that would trigger any liability under the WARN Acts. Whether before or after the Closing, Buyer shall bear any and all obligations and liabilities under the WARN Act or any Mini-WARN Act, resulting from employment losses relating to the sale of the Company.



(e) The Company is and has been in compliance in all material respects with all applicable Laws pertaining to employment and employment practices, collective bargaining agreements, trade unions, works councils, and occupational safety including all Laws relating to labor relations, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence and unemployment insurance. There are no Claims against the Company pending or, to the Knowledge of the Company, threatened to be brought or filed, by or with any Governmental Authority or arbitrator in connection with the employment of any current or former applicant, employee, consultant, volunteer, intern or independent contractor of the Company, including any Claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay, wage and hours or any other employment related matter arising under applicable Law.

(f) Section 3.23(f)(i) of the Disclosure Schedules contains a true and complete list of any and all currently applicable employment, change in control, severance, retention, termination, non-competition, non-solicitation and other similar employment agreements, between any of the Company and any individual requiring compensation in excess of \$100,000 (collectively, the "**Employment Agreements**"), as well as summaries of any oral Employment Agreements, other than agreements on the standard templates provided to Buyer and any post-Closing employment arrangements contemplated under this Agreement. Section 3.23(f)(ii) of the Disclosure Schedules contains a list of offer letters for annual compensation in excess of \$100,000 issued by the Company to individuals who have not yet begun employment with the Company and their approximate start date and pay and other material conditions of employment.

Section 3.24 Taxes.

(a) The Company has timely filed all income, gross receipts and franchise Tax Returns and all other material Tax Returns required by applicable Law to be filed (taking into account all applicable extensions), all such Tax Returns are true, complete and correct in all material respects, and the Company has timely paid or caused to be paid all Taxes due and owing, whether or not shown on any such Tax Return;

(b) The Company has timely withheld all required Taxes from payments to employees, agents, contractors, nonresidents, equity holders, creditors and other third parties required by applicable Law to be withheld by the Company and timely remitted and reported such amounts to the appropriate Governmental Authority;

(c) No audits, Claims or controversies are in progress or, to the Knowledge of the Company, threatened with regard to any Taxes or Tax Returns of the Company;

(d) There are no Encumbrances for Taxes (other than Permitted Encumbrances) on any of the assets of the Company;

(e) The Company has complied with all material respects with applicable withholding, collection, payment and information reporting with respect to sales and use Tax requirements, including maintenance of state resale or other exemption certificates for customers and reporting and payment of sales and use Tax on purchases when required as required under any Law;



(f) The Company is not currently the beneficiary of any extension of time within which to file any Tax Return;

(g) Since January 1, 2012, no written claim has been made by an authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction;

(h) The Company has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency that is still in effect;

(i) The Company is not a party to any agreement, Contract, arrangement, or plan that has resulted or could result, separately or in the aggregate, in the payment of any amount that will not be fully deductible as a result of Section 162(m) of the Code (or any corresponding provision of state, local, or non-U.S. Tax Law);

(j) The Company is not a party to or bound by any Tax allocation or sharing agreement;

(k) The Company has no liability for the Taxes of any Person (other than the Company) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local, or non-U.S. Law), as a transferee or successor, by Contract, or otherwise;

(l) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any:

- (i) change in method of accounting for a taxable period ending on or prior to the Closing Date;
- (ii) use of an improper method of accounting for a taxable period ending on or prior to the Closing Date;
- (iii) “closing agreement” as described in Code Section 7121 (or any corresponding or similar provision of state, local, or non-U.S. income Tax Law) executed on or prior to the Closing Date;
- (iv) prepaid amount received on or prior to the Closing Date;
- (v) installment sale or open transaction disposition made on or prior to the Closing Date; or
- (vi) election under Section §108(i) of the Code;

(m) The Company is and has not been a party to any “listed transaction,” as defined in Section 6707A(c)(2) of the Code and Treasury Regulations Section 1.6011-4(b)(2);

(n) The Company has, at all times since the date of its formation until the date of this Agreement, had a valid election in effect to be classified as an “S corporation,” as defined in Section 1361(a)(1) of the Code, and no action or event has occurred that would cause such election to be terminated;



(o) Section 3.24(o) of the Disclosure Schedules lists all federal, state, local and non-U.S. income and all other Tax Returns filed with respect to the Company for taxable periods ending on or after December 31, 2013, and indicates which of those Tax Returns have been audited;

(p) The Data Room contains true, correct and complete copies of all federal, state and local income Tax Returns of the Company for taxable periods ending on or after December 31, 2013;

(q) The Company has no liability under Section 1374 of the Code; and

(r) The Company is not required to file any Tax Return outside the United States.

Section 3.25 Brokers. Except as set forth in Section 3.25 of the Disclosure Schedules, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Company Holders or the Company.

Section 3.26 Books and Records. The minute books and stock record books of the Company have been made available to Buyer in the Data Room. At the Closing, all of those books and records will be in the possession of the Company.

Section 3.27 Bank Accounts. Section 3.27 of the Disclosure Schedule contains a true, correct and complete list of all bank accounts maintained by the Company including each account number and the name and address of each bank and the name of each Person who has signature power with respect to each such account.

Section 3.28 No Other Representations or Warranties. Except for the representations and warranties of the Company Holders set forth in this Article III, neither the Company Holders, their respective Affiliates nor any other Person makes any other express or implied representation or warranty on behalf of any of the Company Holders, in each case in respect of the Company or its business, assets, liabilities or otherwise.

**ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Company Holders that the statements contained in this Article IV are true and correct as of the date hereof and the Closing Date.

Section 4.01 Organization and Authority of Buyer. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of Delaware. Buyer has all necessary corporate power and authority to enter into this Agreement and the other Transaction Documents to which Buyer is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and the other Transaction Documents to which Buyer is a party, the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by the Company Holders) this Agreement constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.



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Section 4.02 No Conflicts; Consents. The execution, delivery and performance by Buyer of this Agreement and the other Transaction Documents to which Buyer is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) result in a violation or breach of any provision of the Organizational Documents of Buyer; or (b) result in a material violation or breach of any provision of any Law or Governmental Order applicable to Buyer. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Buyer in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

Section 4.03 Brokers. No broker, finder or investment banker is entitled to any brokerage, finders' or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer.

Section 4.04 Availability of Funds. Buyer has directly or through its Affiliates, on the date of this Agreement, the financial capability and all sufficient funds on hand or other sources of immediately available funds to enable it to (i) pay the Closing Price, the Deferred Payment and any other amounts payable pursuant to the terms of this Agreement or required in connection with the transactions contemplated hereby, on the terms contained herein, and (ii) to pay any fees and expenses of Buyer and its applicable Affiliates relating to the transactions contemplated hereby; and will have all such capability and funds on the Closing Date. There are no conditions to the payment of such funds which cannot be satisfied by Buyer as of the date of this Agreement and as of the Closing Date.

Section 4.05 No Reliance. Buyer acknowledges that the Company Holders have not made and are not making any representations or warranties whatsoever regarding the Company, express or implied, except as provided in Article III of this Agreement (including the related portions of the Disclosure Schedules), and that it is not relying and has not relied on any representations or warranties whatsoever regarding the Company, express or implied, except for the representations and warranties in Article III of this Agreement (including the related portions of the Disclosure Schedules).



**ARTICLE V
COVENANTS**

Section 5.01 Conduct of Business Prior to the Closing.

(a) From the date hereof and continuing until the earlier of the termination of this Agreement in accordance with Section 8.01 or the Closing, except as otherwise provided in this Agreement, consented to in writing by Buyer (such consent not to be unreasonably withheld, conditioned, or delayed), or required by applicable Law, the Company Holders shall cause the Company to: (x) conduct its businesses in the ordinary course of business consistent with past practice; and (y) use commercially reasonable efforts to maintain and preserve intact the current organization, business and franchise of the Company, and to preserve the rights, franchises, goodwill and relationships of its executive-level Employees, customers, lenders, suppliers, regulators and others having business relationships with the Company. Without limiting the foregoing, from the date hereof until the Closing Date, except as otherwise provided in this Agreement, consented to in writing by Buyer (such consent not to be unreasonably withheld, conditioned, or delayed), or required by applicable Law, the Company Holders shall use commercially reasonable efforts to cause the Company to:

- (i) preserve and maintain all of its Permits;
- (ii) pay its debts, Taxes and other obligations when due;
- (iii) maintain the properties and assets owned, operated or used by the Company in the same condition as they were on the date of this Agreement, subject to reasonable wear and tear;
- (iv) continue in full force and effect without modification all Insurance Policies, except as required by applicable Law;
- (v) defend and protect its properties and assets from infringement or usurpation;
- (vi) perform all of its obligations under all Contracts relating to or affecting its properties, assets or business;
- (vii) maintain its books and records in accordance with past practice;
- (viii) comply in all material respects with all applicable Laws;
- (ix) preserve, maintain and comply in all material respects with the terms of its Company Benefit Plans; and
- (x) not enter into any Contract that would constitute a Material Contract or amend or waive any condition under any Material Contract.

(b) During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement in accordance with Section 8.01 or the Closing, except as otherwise provided in this Agreement, consented to in writing by the Sellers Representative (such consent not to be unreasonably withheld, conditioned, or delayed), or required by applicable Law, Buyer shall not (i) take any action, or fail to take any action, in either case, that would reasonably be expected to result in any of the conditions set forth in Article VI to not be satisfied, (ii) take any action, or fail to take any action, in either case the result of which would reasonably be expected to materially and adversely impair or materially delay the consummation of the transactions contemplated by this Agreement, or (iii) enter into any contract to do any of the foregoing.

(c) Nothing contained in this Agreement is intended to give Buyer, directly or indirectly, the right to control or direct the Company's operations prior to the Closing.



Section 5.02 Access to Information.

(a) During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement in accordance with Section 8.01 or the Closing, the Company Holders shall, and shall cause the Company to (a) afford Buyer and its Representatives reasonable access to and the right to inspect all of the Real Property, properties, assets, premises, books and records, Contracts, agreements and other documents and data related to the Company; (b) furnish Buyer and its Representatives with such financial, operating and other data and information related to the Company as Buyer or any of its Representatives may reasonably request, including the Company's financial statements for the year ended December 31, 2016 as soon as they becomes available; and (c) instruct the Representatives of the Company Holders and the Company to reasonably cooperate with Buyer in its investigation of the Company; provided, however, that any such investigation shall be conducted during normal business hours upon reasonable advance notice to the Company Holders and shall not unreasonably interfere with the business or operations of the Company. Notwithstanding the foregoing, none of the Company Holders shall be required to cause the Company to provide access to any Real Property, properties, assets, premises, books and records, Contracts, agreements or other documents or data that (i) would violate an existing confidentiality agreement with a third party, (ii) is subject to attorney-client privilege to the extent that doing so would jeopardize the protection of such privilege pursuant to the advice of counsel, or (iii) is prohibited by applicable Law from being disclosed pursuant to the advice of counsel. No information or knowledge obtained in any investigation pursuant to this Section 5.02 or otherwise shall affect or be deemed to modify any representation or warranty contained herein, or the conditions to the obligations of the parties to consummate the transactions contemplated by this Agreement in accordance with the terms and provisions hereof. Until the Closing, the information provided pursuant to this Section 5.02 will be subject to the terms of that certain Confidentiality Agreement, dated February 4, 2016, by and between the Company and WNS (the "**Confidentiality Agreement**"). If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement shall continue in full force and effect in accordance with its terms.

(b) Prior to the Closing, Buyer and its Representatives may only contact and communicate with the employees, customers, regulators and suppliers of the Company related to the transactions contemplated by this Agreement with the prior express approval of the Sellers Representative.

Section 5.03 Confidentiality.

(a) From and after the Closing, the Company Holders shall, and shall cause their Affiliates to, hold, and shall use its commercially reasonable efforts to cause its or their respective Representatives to hold, in confidence any and all information, whether written or oral, concerning the Company, except to the extent that the Company Holders can show that such information (a) is available to and known by the public through no fault of the Company Holders, any of their Affiliates or their respective Representatives; (b) is lawfully acquired by the Company Holders, any of their Affiliates or their respective Representatives from and after the Closing from sources which are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation; (c) developed by a Company Holder independently after Closing and without reference to any confidential information of the Company; or (d) is required to be disclosed by Law. If the Company Holders or any of their Affiliates or their respective Representatives are compelled to disclose any information by judicial or administrative process or by other requirements of Law, to the extent permitted by applicable Law, Company Holders shall promptly notify Buyer in writing and Company Holders shall disclose only that portion of such information which the Company Holders are advised by their counsel in writing is legally required to be disclosed, provided that the Company Holders shall use commercially reasonable efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information. This Section 5.03 shall not apply to or restrict in any manner the use of information by the Management Holders in connection with the provision of services to any of the Company, Buyer or any of their respective Affiliates.



(b) Each of the Company Holders acknowledge that a breach of his or their obligations under this Section 5.03 would cause Buyer to suffer irreparable harm for which money damages would not be an adequate remedy. Therefore, in the event of Company Holders' breach or threatened breach of their obligations under this Section 5.03, Buyer shall be entitled to apply to any court of competent jurisdiction for an injunction, restraining order, or other equitable relief. The Company Holders further acknowledge that Buyer might suffer irreparable harm due to delay if, as a condition to obtaining an injunction, restraining order, or other equitable relief, Buyer were required to demonstrate that it would suffer irreparable harm due to a breach of this Section 5.03. Therefore, the Company Holders and Buyer agree, and intend that a court deciding Buyer's application for equitable relief hereunder will assume, that that such breach would cause Buyer irreparable harm. The Company Holders further agree that Buyer may apply for and obtain an injunction, restraining order, or other equitable relief without any requirement to post a bond or other security.

Section 5.04 Third-party Consents. The Company Holders shall use commercially reasonable efforts to give all notices to, and obtain all consents from, all third parties that are described in Section 3.05 or Section 3.10(b) of the Disclosure Schedules, or otherwise required under this Agreement.

Section 5.05 Books and Records.

(a) In order to facilitate the resolution of any Claims made against or incurred by the Company prior to the Closing, for the Company Holders to comply with their post-Closing covenants made herein, or for any other reasonable purpose, for a period of seven (7) years after the Closing, Buyer shall:

(i) retain the books and records (including personnel files) of the Company relating to periods prior to the Closing in a manner reasonably consistent with the prior practices of such Company; and

(ii) upon reasonable notice, afford the Representatives of the Company Holders reasonable access (including the right to make, at Company Holders' expense, photocopies), during normal business hours, to such books and records.

(b) Buyer shall not be obligated to provide the other party with access to any books or records (including personnel files) pursuant to this Section 5.05 where such access would violate any Law or, pursuant to the advice of counsel, would waive any attorney-client or other privilege.



Section 5.06 Non-competition; Non-solicitation

(a) During the Restricted Period, the Company Holders shall not, directly or indirectly, (i) engage in or assist others (other than Buyer and its Affiliates) in engaging in the Restricted Business in the Territory; or (ii) have an interest in any Person (other than Buyer and its Affiliates) that engages directly or indirectly in the Restricted Business in the Territory in any capacity, including as a partner, shareholder, member, employee, principal, agent, trustee or consultant, other than the passive ownership of up to 1% of the debt or equity securities of a publicly traded corporation, or acquiring or maintaining an equity interest in the Company or its Affiliates through an employment agreement; or (iii) intentionally interfere in any respect with business relationships (whether formed prior to or after the date of this Agreement) between the Company and its customers.

(b) During the Restricted Period, the Company Holders shall not, and shall not (other than on behalf of Buyer and its Affiliates) permit any of their Affiliates to, directly or indirectly, hire or solicit any employee or independent contractor of the Company or Denali India (including any Person who served in any such capacity within six (6) months prior to the Closing Date), or encourage any such employee or independent contractor to leave such employment; provided, however, that the advertisement of job openings and use of employee search firms, newspapers, magazines, the Internet and other media not directed at the foregoing shall not constitute a breach of this Section 5.06; provided, further, that with respect to Dougherty and Evans, this Section 5.06(b) shall not apply with respect to any independent contractor unless such independent contractor performs services exclusively for the Company, Denali India or their respective Affiliates.

(c) During the Restricted Period, the Company Holders shall not, and shall not permit any of their Affiliates to, solicit, divert, entice, or attempt to solicit, divert, or entice, any clients, customers, vendors, or distributors of the Company or Denali India, or their respective Affiliates, for purposes of diverting or reducing their business or services related to the Restricted Business from the Company, Denali India, or their respective Affiliates.

(d) Each of the Company Holders acknowledge that a breach of his or their obligations under this Section 5.06 would cause Buyer to suffer irreparable harm for which money damages would not be an adequate remedy. Therefore, in the event of the Company Holders' breach or threatened breach of their obligations under this Section 5.06, Buyer shall be entitled to apply to any court of competent jurisdiction for an injunction, restraining order, or other equitable relief. The Company Holders further acknowledge that Buyer might suffer irreparable harm due to delay if, as a condition to obtaining an injunction, restraining order, or other equitable relief, Buyer were required to demonstrate that it would suffer irreparable harm due to a breach of this Section 5.06. Therefore, the Company Holders and Buyer agree, and intend that a court deciding Buyer's application for equitable relief hereunder will assume, that that such breach would cause Buyer irreparable harm. The Company Holders further agree that Buyer may apply for and obtain an injunction, restraining order, or other equitable relief without any requirement to post a bond or other security.

Section 5.07 Closing Conditions. From the date hereof until the Closing, each party hereto shall, and the Company Holders shall cause the Company to, use commercially reasonable efforts to take such actions as are necessary to expeditiously satisfy the Closing conditions set forth in Article VI hereof.



Section 5.08 Public Announcements. Unless otherwise required by applicable Law (based upon the reasonable advice of counsel), including the filing of a Form 6-K by Buyer, no party hereto shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of Buyer or the Sellers Representative, as applicable, which consent shall not be unreasonably withheld or delayed, and the parties shall cooperate as to the timing and contents of any such announcement. Within three (3) Business Days of the date of this Agreement, Buyer shall issue the joint press release of Buyer and the Company, the contents of which shall be approved by Buyer and Sellers Representative (such approval not to be unreasonably withheld, conditioned, or delayed).

Section 5.09 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances, and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

Section 5.10 Taxes.

(a) Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement ("**Transfer Taxes**") shall be borne and paid fifty percent (50%) by the Company Holders and fifty percent (50%) by Buyer when due. The Company Holders agree to cooperate with Buyer in the filing of any Tax Return or other document with respect to Transfer Taxes or securing any applicable exemption from Transfer Taxes.

(b) Pre-Closing Tax Returns. Prior to the Closing, Company Holders, at the Company Holders' expense, shall cause to be prepared and filed, on a timely basis, all Tax Returns that are required to be filed by the Company prior to the Closing Date (taking into account any extensions of time to file). Following the Closing, the Company Holders shall cause to be prepared, at the Company Holders' expense, any U.S. federal and state or local corporate income, franchise and gross receipts Tax Returns of the Company for periods ending on or before the Closing Date that are due after the Closing Date (taking into account any extensions of time to file). Each Tax Return described in this Section 5.10(b) is referred to as a "**Pre-Closing Tax Return**". All such Pre-Closing Tax Returns shall be prepared in accordance with the procedures and conventions provided in Section 5.10(d) and (e).

(c) Straddle Tax Return. Buyer shall prepare or cause to be prepared, at Buyer's expense, and file or cause to be filed all Tax Returns for the Company for all periods that begin on or before the Closing Date other than those described in Section 5.10(b) (each a "Straddle Tax Return"). All such Tax Returns shall be prepared in accordance with the procedures and conventions provided in Section 5.10(d) and (e).



(d) Tax Return Procedure. At least thirty (30) days prior to the due date, including any available extensions for filing of any Pre-Closing Tax Return, Straddle Tax Return, or Tax Return Amendment (or as soon as practicable if such Tax Return is due in less than thirty (30) days), the preparing party shall provide a draft of such Tax Return, including any Company or accountant workpapers, to the other party for its review and comment. All reasonable comments and changes requested by the reviewing party shall be incorporated in the Tax Return actually filed; provided such comments are consistent with applicable Tax Law and the provisions of this Agreement. Any disputes with respect to the underlying Tax shall be resolved in the manner provided in Section 5.10(k). The parties shall cause the Company to file each Pre-Closing Tax Return and Straddle Tax Return in a manner consistent with this Agreement. To the extent such Pre-Closing Tax Return is filed after the Closing Date, Company Holders shall pay to Buyer within three (3) days of filing the amount of any Taxes shown as due with respect to such Pre-Closing Tax Return over the amount (if any) reflected in the Closing Working Capital for Taxes (excluding any reserve for deferred Taxes established to reflect the timing difference between book and Tax income) as finally determined in accordance with Section 2.05. Company Holders shall pay to Buyer within three (3) days of filing the amount of Taxes shown as due on such Straddle Tax Return related to Company Holders' portion of such period over the amount (if any) reflected in the Closing Working Capital for Taxes (excluding any reserve for deferred Taxes established to reflect the timing difference between book and Tax income) as finally determined in accordance with Section 2.05. In the case of any taxable period that includes but does not end on the Closing Date (a "Straddle Period"), the amount of any Taxes based on or measured by income, receipts or payroll of the Company for the portion of the taxable period ending on the Closing Date shall be determined based on an interim closing of the books as of 12:01 am on the Closing Date or, if the Company's status as an "S" corporation terminates the day before the Closing Date, then as of 11:59 pm on the day before the Closing Date for "S" corporation Tax Return purposes (except as otherwise provided in Section 5.10(e) with respect to the Company's S termination year), and the amount of any other Taxes of the Company for a Straddle Period that relates to the portion of the taxable period ending on the Closing Date shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the portion of the taxable period ending on the Closing Date and the denominator of which is the number of days in the entire Straddle Period. Notwithstanding the foregoing, any deductions in connection with items described in Sections 2.04(a)(i), (ii), (iii) or (iv) shall be allocated to a Pre-Closing Tax Return, the pre-Closing portion of a Straddle Tax Return, or for purposes of calculating Closing Working Capital, prior to 12:01 a.m. local time on the Closing Date.

(e) Reporting Methodologies. Except as otherwise required by applicable Tax Law, the parties hereto agree with respect to Pre-Closing Tax Returns and Straddle Tax Returns to prepare (or cause to be prepared) each such Tax Return on a basis consistent with past practices and accounting methods. Unless otherwise required by a determination of the applicable Tax authority that is final, no party hereto shall file or cause to be filed a Tax Return that is inconsistent with this Section 5.10(e) and no party hereto shall take, or cause or permit any other Person to take, any position during the course of any Tax audit, proceeding or other dispute that is inconsistent with any agreement pursuant to this Section 5.10(e). The Company Holders and Buyer hereby agree not to apply the pro rata allocation rules for allocating income for the Company's "S termination year," as defined in Treasury Regulations Section 1.1362-3, and shall cause the Company to elect to allocate its S termination year income on the basis of its normal tax accounting method in accordance with Treasury Regulations Sections 1.1362-3(b)(1) and 1.1362-6(a)(5). The Company Holders hereby agree to provide their timely consent to the foregoing on a written statement to be provided by Buyer or the Company prior to the due date (taking into account any extensions to file) of the Company's federal income Tax return for the period beginning on the Closing Date.



(f) Amendment. Unless required by applicable Tax Law, after the Closing, Buyer shall not, and shall cause the Company not to, amend, restate, or otherwise modify any Tax Return filed by the Company Holders or the Company prior to the Closing Date or any Straddle Tax Return (each such amendment, restatement or modification, a “**Tax Return Amendment**”) without the prior written consent of the Company Holders, (which such consent shall not be unreasonably withheld, conditioned or delayed).

(g) Cooperation on Tax Matters. The parties hereto shall cooperate fully, as and to the extent reasonably requested in connection with the filing of Tax Returns pursuant to this Section 5.10, and with the obtaining of any Tax refund and any audit, appeal, hearing, litigation or other proceeding or filing with respect to Taxes of the Company Holders, Buyer, or the Company. Such cooperation shall include the retention (or delivery) and (upon request) the provision of records and information that are reasonably relevant to any Tax proceeding and making employees reasonably available on a mutually convenient basis to provide additional information, explanation or testimony of any material provided hereunder.

(h) Audits. Buyer shall promptly notify the Company Holders in writing upon receipt by Buyer, or any of its Affiliates, or, after the Closing Date, the Company, of any notice of any pending Tax audits, assessments or other proceeding relating to any taxable period of the Company starting prior to the Closing Date or to a Tax for which any Buyer Indemnified Party may be entitled to indemnification pursuant to this Agreement, provided that the failure to provide such notice shall not relieve any Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party is materially prejudiced by reason of such failure. The Company Holders shall have the right to represent their and the Company’s interests in any Tax audit or administrative or court proceeding (a “**Tax Proceeding**”) relating solely to periods ending on or before the Closing Date, provided Buyer delivers a written notice to the Company Holders that it will assume control of the Tax Proceeding. Notwithstanding the foregoing, Buyer and its representatives shall have the right, at Buyer’s expense, to participate in (but not control) such Tax Proceeding. Buyer and the Company shall have the sole and exclusive right to control any Tax Proceeding relating to any taxable period of the Company ending after the Closing Date, provided that the Company Holders and their representatives shall have the right, at the Company Holders’ expense, to participate in (but not control) any Tax Proceeding relating to a taxable year of the Company that begins before and ends after the Closing Date. Neither Buyer nor any Affiliate of Buyer shall be entitled to settle, either administratively or after the commencement of litigation, any claim for Taxes with respect to which any Buyer Indemnified Party would be entitled to indemnification pursuant to this Agreement, without the prior written consent of Company Holders (which consent may not be unreasonably withheld, conditioned or delayed). The Company Holders shall not settle, either administratively or after the commencement of litigation, any claim for Taxes governed by this Section 5.10(h) without the prior written consent of Buyer (which consent may not be unreasonably withheld, conditioned or delayed). To the extent any provision of this Section 5.10(h) conflicts with Section 7.05, the provisions of this Section 5.10(h) shall control.



(i) Adjustments to Closing Price. All payments or reimbursements made pursuant to this Section 5.10 shall be treated as adjustments to the Closing Price for Tax purposes except to the extent otherwise required by applicable Tax Law.

(j) Refunds. If, after the Closing Date, the Company or any of its Affiliates receives a refund of any Tax that is attributable to a taxable period ending on or before the Closing Date and the portion ending on the Closing Date of any Straddle Period or Pre-Closing Period, then the Company or the Affiliate of the Company, as the case may be, shall promptly pay or cause to be paid to the Sellers the amount of such refund (except to the extent reflected in the Closing Working Capital for Taxes (excluding any reserve for deferred Taxes established to reflect timing difference between book and Tax income) as finally determined in accordance with Section 2.05) together with any interest thereon.

(k) Disputes. Any dispute as to any amount of underlying Tax addressed by this Section 5.10 shall be resolved in accordance with the procedures described in Section 2.06(b) by the Independent Accountants, acting as an expert only and not as an arbitrator. The Independent Accountants shall be instructed to resolve any such disputes within thirty (30) days after their appointment or, in the case of a dispute under Section 5.10(d), at least three (3) days prior to the due date for filing the applicable Tax Return. The resolution of such disputes by the Independent Accountants shall be set forth in writing, shall be within the range of dispute between Buyer and the Company Holders and shall be binding upon all parties. The fees and expenses of the Independent Accountants shall be borne equally by the Company Holders, on the one hand, and Buyer, on the other hand. If any dispute with respect to a Tax Return is not resolved prior to the due date of such Tax Return, such Tax Return shall be initially filed in the manner which the party responsible for preparing such Tax Return deems correct, and upon resolution, shall be adjusted in accordance with such resolution.

Section 5.11 Notice of Certain Matters.

(a) From the date hereof until the Closing, the Company Holders shall promptly notify Buyer in writing of:

(i) any fact, circumstance, event or action the existence, occurrence or taking of which (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by the Company Holders hereunder not being true and correct or (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 6.02 to be satisfied;

(ii) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(iii) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement;

(iv) any change in pricing or the modification of any agreement or arrangement with a Material Customer; and

(v) any Claims commenced or, to the Company's Knowledge, threatened against, relating to or involving or otherwise affecting the Company Holders or the Denali Group that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.16 or that relate to the consummation of the transactions contemplated by this Agreement.



(b) Buyer's receipt of information pursuant to Section 5.11(a) shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Company Holders in this Agreement and shall not be deemed to amend or supplement the Disclosure Schedules.

(c) From the date hereof until the Closing, Buyer shall promptly notify the Sellers Representative in writing of:

(i) any fact, circumstance, event or action the existence, occurrence or taking of which (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by Buyer hereunder not being true and correct or (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 6.03 to be satisfied;

(ii) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement; and

(iii) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement;

(d) Sellers Representative's receipt of information pursuant to Section 5.11(c) shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Buyer in this Agreement.

Section 5.12 No Solicitation of Other Bids.

(a) From the date hereof until the Closing or earlier termination of this Agreement, Company Holders shall not, and shall not authorize or permit any of its Affiliates or any of its Representatives to, directly or indirectly, (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. Company Holders shall immediately cease and cause to be terminated, and shall cause its Affiliates (including the Denali India) and all of its Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that would reasonably be expected to lead to, an Acquisition Proposal.



(b) In addition to the other obligations under this Section 5.12, from the date hereof until the Closing or earlier termination of this Agreement, the Company Holders shall promptly (and in any event within three (3) Business Days after receipt thereof by the Company Holders or any of their Representatives) advise Buyer orally and in writing of any Acquisition Proposal, any written request for information with respect to any Acquisition Proposal, or any inquiry with respect to or which could reasonably be expected to result in an Acquisition Proposal, the material terms and conditions of such request, Acquisition Proposal or inquiry, and the identity of the Person making the same.

(c) The Company Holders agree that the rights and remedies for noncompliance with this Section 5.12 shall include having such provision specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to Buyer and that money damages would not provide an adequate remedy to Buyer.

Section 5.13 Intercompany Accounts and Agreements. At or prior to the Closing, the Company Holders shall cause all intercompany accounts involving the Company Holders or any of their Affiliates (other than the Company) on the one hand, and the Company on the other hand, to be settled and terminated in all respects.

Section 5.14 Transition Services. At no cost to Buyer, the Management Holders and their Representatives shall provide such assistance that Buyer and its Affiliates may reasonably require in connection with the transition of the Company's business and related documents and information to Buyer or its Affiliates (cumulatively hereafter, the "**Transition Services**"). The Transition Services shall be provided for a period of three (3) months from Closing, except for the Transition Services specifically enumerated in the following sentence, which shall be provided for a period of up to twelve (12) months from Closing or such longer period as may be necessary to complete such Transition Services. As part of the Transition Services, the Company Holders shall (a) assist Buyer to obtain all necessary consents, approvals, and Permits, including in connection with Contracts that require consents or approvals to be assigned as a result of the transactions contemplated under this Agreement (to the extent such consents or approvals were not obtained at or prior to Closing); (b) render such assistance that Buyer may reasonably require to implement Employee Benefit Plans for the Company's personnel and obtain insurance coverage for the Company; and (c) render such assistance that Buyer or its Affiliates may reasonably require to facilitate the transfer of the China Personnel and India Personnel under the Fonssino Agreement and India APA respectively.

Section 5.15 Use of Name; Transition Period.

(a) The Company Holders acknowledge and agree that after the Closing, except for the limited license set forth in Section 5.15(b), neither the Company Holders nor any of their Affiliates will have any right to use the Company Name or any other reference (including any business name or domain name) that, in whole or in part, uses the "Denali" name or designation. At or prior to Closing, each of the Company Holders will assign, and will cause Denali Group and each of the Company's Affiliates, to assign all of their right, title and interest in and to the Company Name to the Company pursuant to the terms of the form of the Assignment Agreement set forth in Exhibit C attached hereto (the "**Assignment Agreement**"), including all rights related to applicable trademarks, service marks, domain names, and any registrations and pending applications relating to the foregoing. To the extent such rights to the Company Name do not vest in the Company for any reason, effective as of the Closing, the Company Holders hereby assign and transfer, and shall cause their Affiliates, including Denali Group, to assign and transfer, in each case effective as of the Closing Date, all right, title and interest that Company, the Company Holders, Denali Group, or each of their respective Affiliates may have in the Company Name or any other source designation (including any business name or domain name) that, in whole or in part, uses the "Denali" name or designation. Within thirty (30) days of the date hereof, the Company Holders shall file all required documentation, and take such other actions required (including the payment of any applicable fees), to cause each of their Affiliates to change their entity names and DBAs to the extent required so that they do not include "Denali" or any variations or permutations thereof, and make such governmental or other filings that may be necessary to effect the name change, and provide Buyer with documentation of such name change.



(b) Notwithstanding the terms of Section 5.15(a), from the Closing Date until the date that is three (3) months after the Closing Date, or such earlier period agreed to in writing by Dougherty and Evans (the “**Transition Period**”), Denali Group may continue to use the Company Name in a transactional capacity on its website, business cards, stationery, and marketing materials, but it shall take reasonable commercial efforts to transition away from using the Company Name as soon as practicable. During the Transition Period, Denali Group may not use the Company Name in any email campaigns, conference attendance, or any other broad marketing initiative without prior written approval from Buyer, which may be withheld for any reason or for no reason, provided, however, that Denali Group may use the Company Name without such approval solely for purposes of providing information that Denali Group is transitioning to a different name and brand. Before the end of the Transition Period, Dougherty and Evans shall cause Denali Group to (a) remove the Denali name from its websites, social media pages, business cards, stationery, and other sales, presentation, or marketing materials; (b) change its website domain URLs (including email addresses) so that they does not include “Denali” or any variations or permutations thereof, and update any licenses accordingly; and (c) issue a widely disseminated press release announcing its new brand, which press release shall be subject to the pre-approval from the Company and Buyer (such approval not to be unreasonably withheld, conditioned, or delayed) (collectively, the “**Transition Events**”). Upon the completion of the Transition Events and prior to the end of the Transition Period, Dougherty and Evans shall provide a joint certification to Buyer stating that the Transition Events have been completed and an undertaking stating that they and their respective Affiliates, including the Denali Group, will comply with the covenants under Section 5.15(a) (the “**Transition Certification**”). The obligations and covenants under this Section 5.15(b) shall only apply to Dougherty and Evans.

(c) For three (3) months after the Closing, Buyer shall use reasonable commercial efforts to forward general inquiries that, in its reasonable discretion, relate primarily to the DG Retained Business (but do not relate to the Restricted Business or any other business of the Company) that are submitted on the Company’s website (but not on any other website belonging to Buyer or its other Affiliates) to Dougherty or Evans. For twelve (12) months after Closing, Buyer shall use reasonable commercial efforts to forward emails to Dougherty, Evans Conrad Snover, Marrena Anderson, Olivier Pasquier, Amy Shuster and Robin Harris that are specifically addressed to them. Notwithstanding anything contained in this Section 5.15(c), Buyer shall have no obligation to forward any inquiry or content that could, in its reasonable discretion, cause or enable any Person to breach Section 5.06. During the Transition Period, Buyer shall work with Dougherty and Evans in good faith to transition the DG Retained Business from the Company website to a separate website, which shall include posting information about the rebranding of the DG Retained Business, hosting content for the DG Retained Business, and moving content relating to the DG Retained Business to a separate website. Buyer shall maintain a regular contact with Dougherty and Evans in connection with the hosting, administration and transition of the DG Retained Business on the Company website.



Section 5.16 Employees.

(a) Buyer agrees to continue (or cause its Affiliate to continue) at the Closing the employment of each Employee set forth on Schedule 5.16(a) of the Disclosure Schedule hereof that remains employed by the Company immediately prior to the Closing (the “**DSS Employees**”).

(b) Except as may be requested by Buyer, all Company Benefit Plans or the Company’s participation therein, as applicable, shall be terminated as of immediately prior to the Closing, including without limitation, the termination of the Company’s participation in the Company Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code, effective as of no later than the day prior to the Closing. Notwithstanding the foregoing, Buyer will assume the assets and liabilities of the Denali Sourcing Services, Inc. Employee Benefit Plan, which includes medical, vision, prescription, dental, short and long term disability, life insurance, flexible spending, and transportation benefits (pursuant to Section 132(f) of the Code), provided, however, that Company Holders will remain liable for (and indemnify and hold harmless Buyer from) any and all Claims and expenses arising under any Company Benefit Plan to the extent accrued but unpaid as of the Closing; and provided further that Buyer and Sellers agree to conduct a true-up with respect to flexible spending and transportation benefits at the end of the plan year that includes the Closing such that any surplus or shortfall of participant contributions in relation to participant reimbursements shall be allocated in good faith among Buyer and Sellers.

(c) As soon as administratively practicable after the Closing Date, Buyer shall (or shall cause its Affiliate to) permit DSS Employees to participate in the 401(k) plan of Buyer and its Affiliates generally available to similarly situated employees of Buyer and its Affiliates, in accordance with the terms of the applicable Plan, provided that the DSS Employee continues to be employed by Buyer or one of its Affiliates.

(d) Prior to the Closing, the Company Holders shall cause the DSS Employees to become fully vested in their account under the Buyer 401(k) Plan. Following the Closing, for purposes of participation and eligibility in Buyer’s Company Benefit Plans, DSS Employees will receive prior vesting credit, to the extent permitted by Law.

(e) The Company Holders and Buyer shall cooperate to take whatever reasonable steps are necessary to effect the distribution and direct rollover to Buyer’s or its Affiliate’s qualified retirement plan that includes a cash or deferred arrangement under Section 401(k) of the Code (“**Buyer 401(k) Plan**”) of the account balance of each DSS Employee, if eligible in the Company Benefit Plan that is intended to be qualified under Section 401(a) of the Code (the “**Company 401(k) Plan**”) as soon as administratively practicable following the Closing Date and after such DSS Employee elects such a distribution and direct rollover, in accordance with and to the extent permitted by the terms of the Company 401(k) Plan, Buyer 401(k) Plan and applicable Law.



(f) Following the Closing Date, Buyer shall provide Eligible Persons and their eligible dependents with COBRA coverage under Sellers' medical benefit plans (that is, once such plans are assumed by Buyer pursuant to Section 5.16(b) above) to the extent such individuals were enrolled in COBRA coverage under a Company Benefit Plan prior to the Closing Date. For purposes of this Section 5.16(f), "Eligible Persons" means the Employees receiving or entitled to receive health benefits as of the Closing Date and the former employees of the Company receiving or entitled to receive COBRA coverage as of the Closing Date.

(g) Nothing in this Section 5.16 shall entitle any Employee to employment with Buyer or its Affiliates and shall not change any such Employee's status with the Company as an employee-at-will (unless otherwise set forth in an employment agreement by and between the Employee and the Company). The current officers and directors of the Company shall be solely responsible for causing the Company to terminate the employment of all Employees other than the DSS Employees immediately prior to the Closing Date. On or before the Closing Date, the Employees who are not DSS Employees shall have been terminated by the Company and following the Closing the Company shall have no Termination Liabilities with respect to such Employees.

(h) This Section 5.16 shall operate exclusively for the benefit of the parties to this Agreement and not for the benefit of any other Person, including the DSS Employees or any other Employee, consultant, former employee or independent contractor or other person who performs or performed services for the Company. Nothing in this Section 5.16, expressed or implied, shall (i) be treated as the establishment, amendment or modification of any employee benefit plan, including any Employee Benefit Plan, as defined herein, or constitute a limitation on rights to amend, modify, merge or terminate any such plan after the Closing or (ii) oblige Buyer, or any of its Affiliates, to retain the services of any particular Employee or other individual at any time after the date of this Agreement.

Section 5.17 Continuing Officer and Director Indemnification.

(a) Buyer agrees that all rights to exculpation, indemnification and advancement of expenses existing as of the date hereof in favor of the current or former directors or officers, as the case may be, of the Company as provided in its Organizational Documents as in effect on the date of this Agreement shall be honored by the Company (including any successor thereto) and shall continue in full force and effect subject to the limitations set forth in this Section 5.17. From and after the Closing Date until six (6) years from the Closing, the Company or its successor shall, and Buyer shall cause the Company or its successor to, fulfill and honor in all respects the obligations of the Company pursuant to any exculpation, indemnification and advancement of expenses provisions under its Organizational Documents as in effect on the date of this Agreement (and notwithstanding any amendment thereto on or after the Closing Date), and in accordance with applicable Law, the individuals who on or prior to the Closing Date were directors or officers of the Company or (collectively, the "***D&O Indemnified Parties***") with respect to all acts or omissions by them in their capacities as such or taken at the request of the Company at any time on or prior to the Closing. Notwithstanding the foregoing, neither the Company nor Buyer shall have any obligation under this Section 5.17 to indemnify current or former directors or officers for fraud, gross negligence, or willful misconduct.



(b) Notwithstanding anything herein to the contrary, if any Claim (whether arising before, at or after the Closing) is made against any D&O Indemnified Party on or prior to the sixth (6th) anniversary of the Closing, the provisions of this Section 5.17 shall continue in full force and effect until the final disposition of such Claim.

(c) The rights of each D&O Indemnified Party hereunder shall not limit any other rights such D&O Indemnified Party may have under the Organizational Documents, any other indemnification arrangement, applicable Law, or otherwise. Subsequent amendment, termination or repeal of the Organizational Documents of the Company shall not diminish or impair the rights of any D&O Indemnified Party. The provisions of this Section 5.17 expressly are intended to benefit, and are enforceable by, each of the D&O Indemnified Parties and their respective heirs and legal representatives.

(d) In the event that prior to the sixth (6th) anniversary of the Closing, Buyer, the Company or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in either such case, proper provision shall be made so that the successors and assigns of Buyer or the Company, as the case may be, shall assume or succeed to the obligations set forth in this Section 5.17.

(e) Buyer shall cause the Company to honor and perform each of the covenants contained in this Section 5.17.

Section 5.18 Data Room Record. Not later than three (3) Business Days after the date hereof, the Company Holders shall deliver to Buyer a DVD ROM disc (or similar media) containing a digital copy of all of the materials included in the Data Room.

ARTICLE VI CONDITIONS TO CLOSING

Section 6.01 Conditions to Obligations of All Parties. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of the following conditions:

(a) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof; and

(b) No Claim shall have been commenced against Buyer, Company Holders, or the Company, which would prevent the Closing. No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any transaction contemplated hereby.



Section 6.02 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Buyer’s waiver, at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of the Company Holders contained in Article III that are qualified as to materiality (including the definition of Material Adverse Effect) shall be true and correct in all respects, and all other representations and warranties of the Company Holders set forth in Article III that are not so qualified shall be true and correct in all material respects, in each case as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all material respects as of that specified date).

(b) The Company Holders and the Company shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by them prior to or on the Closing Date; provided that with respect to agreements, covenants and conditions that are qualified by materiality, Company Holders shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(c) From the date of this Agreement, no Material Adverse Effect shall have occurred and no fact, circumstance, event or action the existence, occurrence or taking of which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(d) The Company Holders shall have delivered to Buyer duly executed copies of the following:

(i) the Transaction Documents executed by the required signatories thereof other than Buyer or its Affiliates;

(ii) a certificate, dated the Closing Date and signed by the Sellers Representative, that each of the conditions set forth in Section 6.02(a) and Section 6.02(b) have been satisfied;

(iii) unanimous written resolutions of the Board (as constituted prior to the resignations referenced in (iv) below) approving and ratifying the actions of the Company and its senior officers prior to the Closing Date, in form and substance reasonably acceptable to Buyer;

(iv) written resignations from the Board, effective as of the Closing Date, from each of Kamber, Evans, Dougherty, Deshmukh, and Nero;

(v) a certificate of the Secretary of the Company certifying that the attached Organizational Documents of the Company are true and complete as of the Closing Date;

(vi) a certificate as to the good standing of the Company from the Secretary of State of the State of Delaware, within five (5) days of the Closing Date, and from each of the jurisdictions set forth in Section 3.02 of the Disclosure Schedules;

(vii) Payoff Letters, or other evidence reasonably satisfactory to Buyer, of the payment or release of all Deal Fees and Indebtedness of the Company (including under that certain Loan Agreement, dated August 4, 2016, between the Company and Bank of America, N.A.), and all Encumbrances other than the Permitted Encumbrances;



(viii) a Company affidavit stating that the Company is not and has not been a “United States real property holding corporation,” within the meaning of Section 897(c)(2) of the Code, in the form and substance required under Treasury Regulations Section 1.8977-2(h), so that Buyer is exempt from withholding any portion of the Closing Price thereunder; provided further that the Company Holders shall cause the Company to file the necessary notice to the IRS required under Treasury Regulations Section 1.897-2(h)(2) on or before the Closing Date and shall provide a copy of such notice to Buyer;

(ix) IRS Form W-9 or W-8BEN from each Company Holder;

(x) post-Closing employment agreements in form and substance set forth in Exhibit D though Exhibit G, as applicable, with Kamber and each of the Optionholders; and

(xi) evidence reasonably satisfactory to Buyer of (a) the termination of certain Company Benefit Plans or termination of the DSS Employees’ participation therein, as contemplated in this Agreement, including the written consent of the Board to such termination, and (b) that all notices regarding the termination of such plans or employee participation in the Company Benefit Plans have been timely delivered to the insurers or third party administrators of such plans or to others entitled to receive notice of such termination, as provided thereunder.

(e) At least seventy percent (70%) of the India Personnel shall have accepted offers of employment with WNS Global Services Private Limited (India) or one of its Affiliates, and the other closing conditions set forth under the India APA shall have been met.

(f) At least fifty percent (50%) of the Senior-Level Employees as of the date of this Agreement shall remain employed with the Company as of the Closing Date.

(g) All approvals, assignments, consents and waivers that are listed on Section 3.05(d) of the Disclosure Schedules shall have been received and delivered to Buyer at or prior to the Closing, and any notices that are listed on Section 3.05(d) shall have been made to the applicable party set forth in the Contract, with copies of such notices delivered to Buyer at or prior to the Closing.

(h) The Shareholders’ Agreement shall be terminated in accordance with its terms at or prior to Closing.

(i) The Stock Option Plan shall be terminated.

(j) Denali Group, the Company Holders, and their Affiliates set forth therein shall have delivered the Assignment Agreement to Buyer and any other documents reasonably required by Buyer to effect the assignment of the Company Name.



Section 6.03 Conditions to Obligations of Company Holders. The obligations of the Company Holders to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or the Sellers Representative’s waiver, at or prior to the Closing, of each of the following conditions:

(a) Buyer shall deliver to Sellers Representative the Transaction Documents duly executed by Buyer.

(b) The representations and warranties of Buyer contained in Article IV shall be true and correct in all material respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all material respects as of that specified date).

(c) Buyer shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by it prior to or on the Closing Date; provided that with respect to agreements, covenants and conditions that are qualified by materiality, Buyer shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(d) The Sellers Representative shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Buyer, that each of the conditions set forth in Section 6.03(a) and Section 6.03(b) have been satisfied.

**ARTICLE VII
INDEMNIFICATION**

Section 7.01 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall terminate on the date that is eighteen (18) months from the Closing Date; provided that, (a) the representations and warranties in Sections 3.01 (Organization and Authority of Company Holders), 3.02 (Organization, Authority and Qualification of the Company), 3.03 (Capitalization of the Company), 3.04 (No Other Subsidiaries), 3.05(a) (No Conflicts; Consents), and 3.25 (Brokers), 4.01 (Organization and Authority of Buyer), 4.02(a) (No Conflicts; Consents), and 4.03 (Brokers) (the “*Fundamental Representations*”) shall survive indefinitely and (b) the representations and warranties in Section 3.24 (Taxes) shall survive the Closing and shall terminate on the date that is thirty (30) days after the underlying obligation is barred by the applicable period of limitation under applicable Tax Law relating thereto (as such period may be extended by waiver). None of the covenants or other agreements contained in this Agreement shall survive the Closing Date other than those which by their terms contemplate performance after the Closing Date, and each such surviving covenant and agreement shall survive the Closing for the period contemplated by its terms and shall terminate at the end of such period. Any Claims made pursuant to Section 7.02(b) (with respect to Losses under Sections 5.01 (other than those related to Tax), 5.02, 5.04, 5.07, or 5.11), or Section 7.02(g) shall be made on or prior to the date that is eighteen (18) months from the Closing Date and no Claims for indemnification shall be made under such sections after such date. Any Claims made pursuant to Section 7.02(e) shall be made on or prior to the date that is twenty-four (24) months from the Closing Date and no Claims for indemnification shall be made under such section after such date. Notwithstanding the foregoing, (i) any Claims asserted by notice pursuant to, and in accordance with, Section 7.05, from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of such survival period and such Claims shall survive until finally resolved, and (ii) if any act, omission, disclosure or failure to disclose shall form the basis for a Claim or action for an inaccuracy or breach of more than one representation or warranty and such Claims have different periods of survival hereunder, then the expiration of the survival period of one Claim or action shall not affect an Indemnified Party’s right to make a Claim or action based on the inaccuracy or breach of representation or warranty still surviving.



Section 7.02 Indemnification by Company Holders. Subject to the other terms and conditions of this Article VII, if the Closing occurs, the Company Holders shall indemnify Buyer and its Affiliates (including the Company), and their respective controlling persons, directors, managers, officers, employees, equityholders, agents and other Representatives (collectively, the “**Buyer Indemnified Parties**”) against, and shall hold the Buyer Indemnified Parties harmless from and against, on a joint and several basis, any and all Losses incurred or sustained by, or imposed upon, the Buyer Indemnified Parties based upon, arising out of, relating to or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties of the Company Holders contained in this Agreement, subject to the exceptions set forth in the Disclosure Schedule;
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by the Company Holders pursuant to this Agreement;
- (c) Deal Fees, Bonus Payments, or Indebtedness that were not paid, satisfied or released prior to or at the Closing;
- (d) except to the extent reflected in the Closing Working Capital for Taxes (excluding any reserve for deferred Taxes established to reflect the timing difference between book and Tax income) as finally determined in accordance with Section 2.05, any and all liabilities for Taxes imposed upon or assessed against the Company or its assets (i) for all taxable periods ending on or before the Closing Date and the portion ending on the Closing Date of any Straddle Period, as determined pursuant to Section 5.10(d) and Section 5.10(e), (ii) by reason of being a successor-in-interest or transferee of another entity, (iii) any and all Taxes of any member of an affiliated, consolidated or unitary group of which the Company (or a predecessor) is or was a member on or prior to the Closing Date, and (iv) any and all Transfer Taxes for which Company Holders are liable under Section 5.10(a);
- (e) any Losses arising from Contracts with customers due to a breach of or nonconformance with a contractual commitment or an express or implied warranty under such Contracts prior to the Closing Date;
- (f) any Losses arising from Buyer’s reasonable reliance on the Sellers Representative’s authority on behalf of the Company Holders under Section 9.04, or in connection with the Sellers Representative Holdback Amount after such amount is paid to the Sellers Representative at Closing under Section 2.03(a);
- (g) any Losses arising out of or relating to the actions of the Company Holders’ Affiliates incorporated or organized outside of the United States prior to the Closing Date, whether known or unknown, fixed or contingent;



(h) Claims and expenses arising under any Company Benefit Plan to the extent accrued but unpaid as of Closing, as set forth in Section 5.16(b);

(i) the matters set forth on Exhibit I to the extent such matters would not be covered by the insurance policies of the Company as they exist on the date of this Agreement.

Section 7.03 Indemnification by Buyer. Subject to the other terms and conditions of this Article VII, if the Closing occurs, from and after the Closing, Buyer shall indemnify the Company Holders and their Affiliates, and their respective controlling persons, directors, managers, officers, employees, agents and other Representatives (collectively, the “**Holder Indemnified Parties**”) against, and shall hold the Holder Indemnified Parties harmless from and against, any and all Losses incurred or sustained by, or imposed upon, the Holder Indemnified Parties based upon, arising out of, relating to or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement; or
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement.

Section 7.04 Certain Limitations. The party making a Claim under this Article VII is referred to as the “**Indemnified Party**”, and the party against whom such Claims are asserted under this Article VII is referred to as the “**Indemnifying Party**”. The indemnification provided for in Section 7.02 and Section 7.03 shall be subject to the following limitations:

(a) The Company Holders shall not be liable to the Buyer Indemnified Party for indemnification under Section 7.02(a), Section 7.02(b) (but only with respect to Losses under Sections 5.01 (other than covenants relating to Tax), 5.02, 5.04, 5.07, or 5.11), Section 7.02(e) or Section 7.02(g), as the case may be, until the aggregate amount of all Losses in respect of indemnification under Section 7.02(a), Section 7.02(b) (but only with respect to Losses under Sections 5.01 (other than covenants relating to Tax), 5.02, 5.04, 5.07, or 5.11), Section 7.02(e) and Section 7.02(g) exceeds two hundred twenty-five thousand dollars (\$225,000), in which event the Company Holders shall be required to pay or be liable for all such Losses from the first dollar. Buyer shall not be liable to the Holder Indemnified Party for indemnification under Section 7.03(a) until the aggregate amount of all Losses in respect of indemnification under Section 7.03(a) exceeds two hundred twenty-five thousand dollars (\$225,000), in which event Buyer shall be required to pay or be liable for all such Losses from the first dollar.

(b) The aggregate amount of all Losses for which the Company Holders shall be liable (i) (1) pursuant to Section 7.02(a), Section 7.02(b), Section 7.02(h) (with respect to Losses under Sections 5.01 (other than covenants relating to Tax), 5.02, 5.04, 5.07, 5.11, or 5.16), or Section 7.02(g), shall not exceed \$4,000,000, and (2) pursuant solely to Section 7.02(e) shall not exceed an amount equal to an additional \$2,000,000; and (ii) pursuant to Section 7.02(b) (other than with respect to those covenants set forth in preceding clause (i)) shall not exceed the Closing Price plus any additional consideration actually paid to the Company Holders under this Agreement. The aggregate amount of all Losses for which Buyer shall be liable pursuant to Section 7.03(a) and Section 7.03(b) (other than with respect to the obligations of Buyer to pay any Deferred Payment, additional portion of the Additional Closing Payment, or any Working Capital Adjustment) shall not exceed \$6,000,000. Notwithstanding the foregoing, in no event will Buyer be liable for any Losses under Section 7.03(b) with respect to Section 5.15(c).



(c) Notwithstanding the foregoing, the limitations set forth in Section 7.04(a) and Section 7.04(b) shall not apply to Losses based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any Fundamental Representations or rights of the Buyer Indemnified Parties to be indemnified pursuant to Sections 7.02(c), 7.02(d), 7.02(f) or 7.02(i), or in case of common law fraud or intentional misrepresentation with the intent to mislead another party hereto by Company Holders, Buyer, or their respective Affiliates.

(d) For the purpose of calculating the amount of any Losses for which an Indemnifying Party shall be liable pursuant to Section 7.02(a) or Section 7.03(a), but not for purposes of determining the existence of any inaccuracy in or breach of any representation or warranty, any materiality, Material Adverse Effect, or similar qualifications in the representations and warranties shall be disregarded.

(e) Any Claim for breach of Section 5.03 or Section 5.06 shall be made solely against the Company Holder alleged to have breached such Section and not against the other Company Holders and no Company Holder shall have any liability for any breaches by another Company Holder of Section 5.03 or Section 5.06. Any Claim for breach of Section 5.15(b) shall be made solely against Dougherty and Evans and shall not be made against the Management Holders and the Management Holders shall have no liability for any breaches of Section 5.15(b).

(f) Each Indemnified Party shall use commercially reasonable efforts to mitigate Losses after becoming aware of an event which could reasonably be expected to give rise to any Losses that are indemnifiable or recoverable under Section 7.02 or Section 7.03.

Section 7.05 Indemnification Procedures.

(a) Third-Party Claims.

(i) If any Indemnified Party receives notice of the assertion or commencement of any Claim made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a "**Third-Party Claim**") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party rights or defenses are materially prejudiced by reason of such failure. Such notice by the Indemnified Party shall describe the Third-Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Losses that has been or may be sustained by the Indemnified Party.



(ii) The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third-Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense. In the event that the Indemnifying Party assumes the defense of any Third-Party Claim, subject to Section 7.05(b): (i) such assumption of the defense shall constitute the Indemnifying Party's admission that it has an indemnification obligation hereunder with respect to Losses arising out of the Third-Party Claim, subject to the limitations set forth in Section 7.04 hereof; and (ii) it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third-Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right, at its own cost and expense, to participate in the defense of any Third-Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. If the Indemnifying Party elects not to compromise or defend such Third-Party Claim or fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, the Indemnified Party may, subject to Section 7.05(b), pay, compromise, defend such Third-Party Claim and, subject to the limitations set forth in Section 7.04 hereof, seek indemnification for any and all Losses based upon, arising from or relating to such Third-Party Claim. The Company Holders and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third-Party Claim, including making available (subject to the provisions of Section 5.05) records relating to such Third-Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third-Party Claim.

(b) **Settlement of Third-Party Claims.** Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third-Party Claim without the prior written consent of the Indemnified Party, except as provided in this Section 7.05(b). If a firm offer is made to settle a Third-Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third-Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within twenty (20) days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third-Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third-Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third-Party Claim, the Indemnifying Party may settle the Third-Party Claim upon the terms set forth in such firm offer to settle such Third-Party Claim. If the Indemnified Party has assumed the defense pursuant to Section 7.05(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, delayed, or conditioned).

(c) **Direct Claims.** Any Claim by an Indemnified Party on account of Losses which does not result from a Third-Party Claim (a "**Direct Claim**") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party's rights or defenses are materially prejudiced by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Losses that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. During such thirty (30) day period, the Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including reasonable access to the Company's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such thirty (30) day period, the Indemnifying Party shall be deemed to have rejected such Claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.



Section 7.06 Payments. Once a Loss is agreed to by the Indemnifying Party or is payable pursuant to this Article VII, the Indemnifying Party shall satisfy its obligations within ten (10) Business Days thereof by wire transfer of immediately available funds. The parties hereto agree that should an Indemnifying Party not make full payment of any such obligations within such ten (10) Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party or the date such amount becomes payable pursuant to this Article VII and including the date such payment has been made at a rate per annum equal to 3%. Such interest shall be calculated daily on the basis of a 365 day year and the actual number of days elapsed.

Section 7.07 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Closing Price for Tax purposes, unless otherwise required by Law.

Section 7.08 Effect of Investigation. The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party's waiver of any condition set forth in Section 6.02 or Section 6.03, as the case may be.

Section 7.09 Exclusive Remedy. From and after the Closing, the Indemnified Parties' sole and exclusive remedy against any Indemnifying Party, whether in any individual, corporate or any other capacity, with respect to any and all claims relating (directly or indirectly) to the subject matter of this Agreement or the transactions contemplated hereby and thereby, shall be pursuant to the provisions of this Article VII. Notwithstanding the foregoing, this Section 7.09 shall not operate to limit the rights of any party to (a) seek equitable remedies (including specific performance or injunctive relief), (b) any remedies available to it for common law fraud committed by or on behalf of the other party, or (c) any other remedy specifically provided in this Agreement or the India APA, including in connection with the Working Capital Adjustment.



**ARTICLE VIII
TERMINATION**

Section 8.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of Sellers Representative and Buyer;

(b) by Buyer by written notice to Company Holders if:

(i) Buyer is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Company Holders pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article VI and such breach, inaccuracy or failure (A) cannot be cured by the Company Holders by the Drop Dead Date or (B) if capable of being cured by the Company Holders by the Drop Dead Date, shall not have been cured within thirty (30) days following receipt of written notice thereof from Buyer; or

(ii) any of the conditions set forth in Section 6.01 or Section 6.02 shall not have been fulfilled by January 31, 2017 (the “**Drop Dead Date**”), unless such failure shall be due to the failure of Buyer to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;

(c) by the Company Holders by written notice to Buyer if:

(i) The Company Holders are not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Buyer pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article VI and such breach, inaccuracy or failure (A) cannot be cured by Buyer by the Drop Dead Date or (B) if capable of being cured by Buyer by the Drop Dead Date, shall not have been cured within thirty (30) days following receipt of written notice thereof from Sellers Representative; or

(ii) any of the conditions set forth in Section 6.01 or Section 6.03 shall not have been fulfilled by the Drop Dead Date, unless such failure shall be due to the failure of the Company Holders to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing.

(d) by Buyer or the Company Holders, by written notice to the other, in the event that:

(i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited; or

(ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable.



Section 8.02 Effect of Termination. In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

- (a) as set forth in this Article VIII and Article IX hereof; and
- (b) that nothing herein shall relieve any party hereto from liability for any intentional breach of any provision hereof.

**ARTICLE IX
MISCELLANEOUS**

Section 9.01 Expenses. Except as otherwise expressly provided herein, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 9.02 Notices. All notices, requests, consents, Claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) on the first Business Day after the date deposited, airbill prepaid, with the carrier if sent by an internationally recognized overnight courier; or (c) upon confirmation of transmission by the recipient (which confirmation may be by facsimile or email), if sent by facsimile or email. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.02):

If to the Company Holders:	Alpar Kamber, as Sellers Representative Unit 5, 24 Queen’s Gate Kensington, London SW7 5JE UK Email: akamber@gmail.com
with a copy to:	Morgan, Lewis & Bockius LLP One Oxford Centre, Thirty-Second Floor 301 Grant Street, Pittsburgh, PA 15219 Attention: Marlee Myers Facsimile: (412) 560-7001 Email: marlee.myers@morganlewis.com
If to Buyer:	WNS Global Services (P) Ltd Gate No 4, Plant 10 / 11 Godrej & Boyce Complex, Pirojshanagar, LBS MargVikhroli (West) Mumbai, Maharashtra, 400079 Attention: Arijit Sen Email:Arijit.Sen@wns.com



with a copy to:

Kelley Drye & Warren LLP
101 Park Avenue
New York, New York 10178
Attention: Deepak Nambiar
Facsimile: (212) 808-7897
Email: dnambiar@kelleydrye.com

Section 9.03 No Presumption. Each party represents that it has been represented by legal counsel in connection with this Agreement and acknowledges that it has participated in the drafting hereof. In interpreting and applying the terms and provisions of this Agreement, the parties agree that no presumption will apply against the party which drafted such terms and provision.

Section 9.04 Action of Sellers Representative on behalf of Company Holders.

(a) The Sellers Representative is hereby irrevocably appointed as the representative, agent, proxy, and attorney in fact (coupled with an interest) for all the Company Holders for all purposes under this Agreement including the full power and authority on the Company Holders' behalf: (i) to negotiate claims and disputes arising under, or relating to, this Agreement and the other agreements, instruments, and documents contemplated hereby or executed in connection herewith (including, for the avoidance of doubt, the adjustment of Closing Price contemplated by Section 2.06 and claims for indemnification under Article VII), other than claims or disputes for which only Dougherty or Evans could have liability, (ii) to receive and disburse to, or caused to be received or disbursed to, any Company Holder any funds received on behalf of such Company Holder under this Agreement (including, for the avoidance of doubt, any portion of the Closing Price or Deferred Payments) or otherwise, (iii) to withhold any amounts received on behalf of any Company Holder pursuant to this Agreement (including, for the avoidance of doubt, any portion of the Closing Price or Deferred Payments), or to satisfy (on behalf of the Company Holders) any and all obligations or liabilities of any Company Holder in the performance of any of their commitments hereunder (including, for the avoidance of doubt, the satisfaction of payment obligations (on behalf of the Company Holders) in connection with the adjustment of Closing Price contemplated by Section 2.06 or the indemnification of the Indemnified Party under Article VII), other than claims or disputes for which only Dougherty or Evans could have liability, (iv) to retain the Sellers Representative Holdback Amount and pay amounts therefrom in accordance with this Agreement and any sellers representative agreement among the Company Holders, and (v) to take all other actions to be taken by or on behalf of any Company Holder in connection with this Agreement and the other agreements, instruments, and documents contemplated hereby or executed in connection herewith to the extent such actions are required to be taken by the Sellers Representative or by all Sellers or all Company Holders, but not with respect to Section 5.15. Such agency and proxy are coupled with an interest, are therefore irrevocable without the consent of the Sellers Representative and shall survive the death, incapacity, bankruptcy, dissolution or liquidation of each Company Holder. All decisions and actions by the Sellers Representative in accordance with this Agreement shall be binding upon each Company Holder, and no Company Holder shall have the right to object, dissent, protest or otherwise contest the same. The Sellers Representative shall have no duties or obligations hereunder, including any fiduciary duties, except those set forth herein, and such duties and obligations shall be determined solely by the express provisions of this Agreement.



(b) The Sellers Representative shall be indemnified, held harmless and reimbursed by each Company Holder severally (based on their pro rata right to the Closing Price), and not jointly, against all costs, expenses (including reasonable attorneys' fees), judgments, fines and amounts paid or incurred by the Sellers Representative in connection with any claim, action, suit or proceeding to which the Sellers Representative or such other Person is made a party by reason of the fact that it is or was acting as the Sellers Representative pursuant to the terms of this Agreement (including, for the avoidance of doubt, the satisfaction of payment obligations (on behalf of the Company Holders) in connection with the adjustment of Closing Price contemplated by Section 2.06 or the indemnification of the Indemnified Party under Article VII). Any and all amounts paid or incurred by the Sellers Representative in connection with any claim, action, suit or proceeding to which the Sellers Representative or such other Person is made a party by reason of the fact that it is or was acting as the Sellers Representative pursuant to the terms of this Agreement are on behalf of the Company Holders (and, not for the avoidance, on behalf of the Sellers Representative in any other capacity, as a Company Holder or otherwise).

(c) The Sellers Representative shall not incur any liability to any Company Holder by virtue of the failure or refusal of the Sellers Representative for any reason to consummate the transactions contemplated hereby or relating to the performance of its duties hereunder, except for actions or omissions constituting fraud. The Sellers Representative shall have no liability in respect of any action, claim or proceeding brought against any such Person by any Company Holder, regardless of the legal theory under which such liability or obligation may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise, if any such Person took or omitted taking any action in good faith.

(d) If the Sellers Representative pays or causes to be paid any amounts (on behalf of the Company Holders) permitted in connection with any obligation or liability of a Company Holder in connection with the transactions contemplated hereby (including, for the avoidance of doubt, the adjustment of Closing Price contemplated by Section 2.06 or the indemnification of the Indemnified Party under Article VII) any such payments and the reasonable expenses of the Sellers Representative incurred in administering or defending the underlying dispute or claim shall be indemnified, held harmless and reimbursed by each Company Holder severally (based on their pro rata right to the Closing Price), and not jointly, for such amount(s)). The Sellers Representative may, in its sole and absolute discretion, distribute, or caused to be distributed, any or all of the funds received or held by it on behalf of the Company Holders (including, for the avoidance of doubt, any portion of the Closing Price) to one or more Company Holders at any time after the date hereof, which such distribution(s) of funds may be different (i.e., with respect to amount, timing, conditionality or otherwise) for each Company Holders. Upon full reimbursement of all expenses, costs, obligations or liabilities incurred by the Sellers Representative in the performance of its duties hereunder, the Sellers Representative shall distribute, or caused to be distributed, all remaining funds held by it on behalf of the Company Holders to the Company Holders.

(e) Buyer and the Company shall have the right to rely upon all actions taken or omitted to be taken by the Sellers Representative pursuant to this Agreement and the other agreements contemplated hereby, all of which actions or omissions shall be legally binding upon the Company Holders.



(f) The Company Holders acknowledge and agree that Buyer may satisfy any of its payment obligations under this Agreement or the other agreements contemplated hereby through payments to the Sellers Representative (or to accounts to which the Company Sellers Representative directs that payments be made). To the extent that Buyer satisfies its payment obligations under this Agreement by any such payment to the Sellers Representative (or to accounts to which the Sellers Representative directs that payments be made), Buyer shall be absolved from any further payment obligations to the Company Holders in respect of the amount so paid, and no Company Holder shall be permitted to seek or receive from Buyer any such amounts that have been previously paid to the Sellers Representative (or to accounts to which the Sellers Representative directs that payments be made) by or on behalf of Buyer.

Section 9.05 Interpretation. For purposes of this Agreement: (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

Section 9.06 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 9.07 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 9.08 Entire Agreement. This Agreement, including the Disclosure Schedules, and the exhibits hereto, together with the Confidentiality Agreement and the other instruments referred to herein, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous representations, warranties, understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and the Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.



Section 9.09 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld, delayed, or conditioned; provided, however, that without such consent, Buyer may transfer or assign, in whole or in part from time to time, its rights and obligations under this Agreement to one or more of its Affiliates. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 9.10 No Third-party Beneficiaries. Except as provided in Article VII and Section 5.17, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 9.11 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 9.12 Governing Law. This Agreement, and all Claims or causes of action (whether in contract, tort or otherwise) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including any Claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction).

Section 9.13 Arbitration.

(a) Any controversy, claim or dispute arising out of or relating to this Agreement, or the breach thereof, or otherwise arising between the parties hereto, shall, in lieu of a jury or other judicial trial, be settled by arbitration administered by the American Arbitration Association (AAA) under its Commercial Arbitration Rules then in force. The place of arbitration will be New York, New York. The language of the arbitration shall be English.

(b) There shall be one arbitrator. The arbitrator's award shall state the reasons upon which it is based and shall be in writing. The arbitrator's award shall be final, binding, and non-appealable. Judgment on any award by the arbitrator may be entered in any court having jurisdiction thereof.



(c) Each party to the arbitration will pay one-half of the expenses and fees of the arbitrator, together with other expenses of the arbitration incurred or approved by the arbitrator. Each party shall bear its own attorneys' fees and expenses; provided, however, that the arbitrator may assess the prevailing party's fees and costs, including attorneys' fees, against the non-prevailing party as part of the arbitrator's award.

(d) Except as may be required by Law or as otherwise agreed, each of the parties, the arbitrator, and the AAA shall maintain the confidentiality of (i) the existence and results of the arbitration; (ii) all documents provided, produced or exchanged pursuant to the arbitration; and (iii) all communications and proceedings related to the arbitration.

(e) Nothing in this Section 9.13 shall be construed as precluding the bringing of an action by any party for injunctive or equitable relief or specific performance as provided in this Agreement, including in connection with a breach or threatened breach by any Company Holder of the confidentiality or non-compete provisions of this Agreement.

Section 9.14 Equitable or Interim Relief in Aid of Arbitration. Each party hereto acknowledges that the other parties hereto would be irreparably damaged in the event of a breach or threatened breach by such party of any of its obligations under this Agreement and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, each of the other parties hereto shall, in addition to any and all other rights and remedies that may be available to them in respect of such breach, be entitled to an injunction from a court of competent jurisdiction (without any requirement to post bond) granting such parties specific performance by such party of its obligations under this Agreement. In the event that any party files a suit to enforce the covenants contained in this Agreement (or obtain any other remedy in respect of any breach thereof), the prevailing party in the suit shall be entitled to receive in addition to all other damages to which it may be entitled, the costs incurred by such party in conducting the suit, including reasonable attorney's fees and expenses.

Section 9.15 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A counterpart of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGES FOLLOW]



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

BUYER:

WNS NORTH AMERICA INC.

By _____
[], []

[Signature Page to Stock Purchase Agreement]



SELLERS:

Alpar Kamber

Donald Dougherty

John R. Evans

OPTIONHOLDERS:

Priyadarshan Deshmukh

Peter E. Nero

Alan C. Veeck

SELLERS REPRESENTATIVE:

Alpar Kamber

[Signature Page to Stock Purchase Agreement]



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Confidential Treatment Requested

The portions of this document marked by "XXXX" have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

EXECUTION VERSION

STOCK PURCHASE AGREEMENT AND PLAN OF MERGER

BY AND AMONG

WNS GLOBAL SERVICES PRIVATE LIMITED,

WNS NORTH AMERICA INC.,

WNS HEALTHCARE NORTH AMERICA LLC,

HEALTHHELP HOLDINGS, LLC,

MTS HEALTHHELP INC.,

THE STOCKHOLDERS OF MTS HEALTHHELP INC.,

CHERRILL FARNSWORTH

AND

THE SELLERS' REPRESENTATIVE

DATED AS OF MARCH 15, 2017



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STOCK PURCHASE AGREEMENT AND PLAN OF MERGER

THIS STOCK PURCHASE AGREEMENT AND PLAN OF MERGER (this "Agreement") is made and entered into as of March 15, 2017, by and among WNS Global Services Private Limited (the "Stock Purchaser"), WNS North America Inc., a Delaware corporation ("Parent"), and together with the Stock Purchaser, "Purchaser"), WNS Healthcare North America LLC, a Delaware limited liability company and a direct wholly-owned subsidiary of Parent ("Merger Sub"), HealthHelp Holdings, LLC, a Delaware limited liability company (the "Company"), MTS HealthHelp Inc., a Delaware corporation ("HealthHelp Corp"), the stockholders of HealthHelp Corp identified on the signature pages hereto (the "HealthHelp Corp Sellers"), Cherrill Farnsworth ("Farnsworth"), and MTS Health Investors, LLC, solely in its capacity as the representative of the HealthHelp Corp Sellers and the Unitholders (other than HealthHelp Corp) hereunder (the "Sellers' Representative"). Each of the above referenced parties is sometimes herein referred to individually as a "Party" and collectively as the "Parties."

WHEREAS, HealthHelp Corp and the other Unitholders collectively own all of the issued and outstanding limited liability company interests in the Company;

WHEREAS, on the terms and subject to the conditions of this Agreement, the Stock Purchaser desires to purchase from the HealthHelp Corp Sellers, and the HealthHelp Corp Sellers desire to sell to the Stock Purchaser, all of the issued and outstanding capital stock of HealthHelp Corp (the "HealthHelp Corp Stock");

WHEREAS, the board of managers of the Company (the "Company Board"), on the terms and subject to the conditions set forth herein, has (a) declared the advisability of this Agreement and approved and adopted this Agreement, and (b) recommend approval and adoption of this Agreement by all of the Unitholders entitled to approve and adopt this Agreement;

WHEREAS, the Requisite Unitholders have approved and adopted this Agreement in their capacity as Unitholders pursuant to the written consent delivered to Purchaser simultaneously herewith (the "Written Consent");

WHEREAS, the board of managers of Merger Sub has (a) declared the advisability of this Agreement and approved and adopted this Agreement, and (b) approved and adopted of this Agreement by Parent, the sole member of Merger Sub;

WHEREAS, Parent has approved and adopted this Agreement in its capacity as the sole member of Merger Sub;



WHEREAS, the Company Board and the board of managers of Merger Sub have approved the merger of Merger Sub with and into the Company, with the Company as the surviving limited liability company (the “Surviving Company”), upon the terms and subject to the conditions set forth in this Agreement and the applicable provisions of the Delaware Limited Liability Company Act (the “DLLCA”), whereby (a) each issued and outstanding Company Unit (other than the HealthHelp Corp Units) shall be converted into the right to receive a portion of the Aggregate Final Consideration allocable to the Company Units upon the terms and subject to the conditions set forth herein and based upon the applicable liquidation preferences and other rights, preferences and privileges of such class of the Company Units as set forth in the Company’s Operating Agreement, dated as of April 29, 2013 (as the same may be amended or modified from time to time, the “Company LLC Agreement”), and (b) each issued and outstanding HealthHelp Corp Unit shall remain outstanding and be retained by HealthHelp Corp; and

WHEREAS, in order to induce Purchaser and Merger Sub to enter into this Agreement, the Unitholders, the HealthHelp Corp Sellers and the Sellers’ Representative have, simultaneously with the execution and delivery of this Agreement, entered into a Support Agreement (the “Support Agreement”) providing for, among other things, the payment by such Persons of certain amounts which may become payable pursuant to Articles 2 and 11 of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

“2017 Actual Revenue Percentage” has the meaning set forth in Section 2.13(k)(i).

“2017 Farnsworth Deferred Payment Amount” has the meaning set forth in Section 2.13(k)(ii).

“2017 General Deferred Payment Amount” has the meaning set forth in Section 2.13(k)(iii).

“2018 Actual Revenue Percentage” has the meaning set forth in Section 2.13(k)(iv).

“2018 Farnsworth Deferred Payment Amount” has the meaning set forth in Section 2.13(k)(v).

“2018 General Deferred Payment Amount” has the meaning set forth in Section 2.13(k)(vi).

“Accounting Principles” shall mean GAAP, as applied in accordance with the accounting methodologies, practices, policies, classifications and procedures set forth on Annex I.



“Action” means any action, claim, litigation, suit, proceeding, investigation, order or government charge (whether in contract, tort or otherwise, whether civil or criminal and whether brought at law or in equity).

“Actual Aggregate Closing Consideration” has the meaning set forth in Section 2.12(b).

“Actual Cash” has the meaning set forth in Section 2.12(b).

“Actual XXXX Revenue” has the meaning set forth in Section 2.13(k).

“Actual Indebtedness” has the meaning set forth in Section 2.12(b).

“Actual Sellers’ Transaction Expenses” has the meaning set forth in Section 2.12(b).

“Actual Working Capital” has the meaning set forth in Section 2.12(b).

“Additional Payments” means the amounts described in clauses (c) through (g) of the definition of Aggregate Final Consideration, to the extent the same become payable in accordance with this Agreement.

“Affiliate” of any particular Person means any other Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such Person. “Control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct, or cause the direction of, the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

“Affiliated Group” means, with respect to a Person, an affiliated group as defined in Section 1504 of the Code (or any analogous combined, consolidated or unitary group defined under state, local or foreign income Tax Law) of such Person is or has been a member.

“Agreement” has the meaning set forth in the Preamble.

“Aggregate Closing Consideration” means (a) Gross Purchase Price, plus (b) the Estimated Cash, minus (c) the Estimated Indebtedness, minus (d) the Estimated Sellers’ Transaction Expenses, minus (e) the amount, if any, by which Target Working Capital is greater than Estimated Working Capital, plus (f) the amount, if any, by which Estimated Working Capital is greater than Target Working Capital, minus (g) the Escrow Amount, minus (h) the amount of the Sellers’ Representative Expense Fund, minus (i) the Farnsworth Holdback Amount, minus (j) the General Holdback Amount.



“Aggregate Final Consideration” means (a) the Aggregate Closing Consideration, minus (b) the Excess Shortfall Amount, if any, plus (c) any amounts payable to the Unitholders (other than HealthHelp Corp) and the HealthHelp Corp Sellers pursuant to Section 2.12(d), plus (d) any amounts payable to the Unitholders (other than HealthHelp Corp) and the HealthHelp Corp Sellers upon release of the Escrow Amount pursuant to the terms of the Escrow Agreement, plus (e) any amounts payable to the Unitholders (other than HealthHelp Corp) and the HealthHelp Corp Sellers upon release of the Sellers’ Representative Expense Fund pursuant to the terms of Section 12.1(f), plus (f) any amounts payable pursuant to Section 8.9(d), plus (g) any amounts payable pursuant to Section 2.13.

“Audited Balance Sheet” has the meaning set forth in Section 3.5(a)(ii).

“Business” means the business of providing specialty benefit management services, health utilization management services and care management services to the health care industry (including payors, providers, prescription benefit managers, Governmental Authorities, etc.) as carried on by the HealthHelp Entities as of the date of this Agreement and as of the Closing.

“Business Day” means any day other than a Saturday or Sunday or any other day on which commercial banks in Houston, Texas or New York, New York are authorized or required by Law to close.

“Cash” means cash, cash equivalents and liquid instruments that are convertible into cash (including marketable securities), plus deposits in transit to the extent there has been a reduction of receivables on account thereof, but net of checks written but not yet cleared, in each case determined in accordance with GAAP; provided, that for purposes of determining Estimated Cash and Actual Cash, Cash shall be deemed to include, in addition, an amount equal to one half (1/2) of the total premium for the D&O Tail Policies.

“Certificate of Merger” has the meaning set forth in Section 2.3.

“Closing” has the meaning set forth in Section 2.3.

“Closing Balance Sheet” has the meaning set forth in Section 2.12(a).

“Closing Certificate” has the meaning set forth in Section 2.10.

“Closing Date” has the meaning set forth in Section 2.3.

“Closing Statement” has the meaning set forth in Section 2.12(a).

“COBRA” has the meaning set forth in Section 3.15(b).

“Code” means the Internal Revenue Code of 1986, as amended.

“Company” has the meaning set forth in the Preamble.

“Company Board” has the meaning set forth in the Preamble.

“Company Information” has the meaning set forth in Section 8.2.



“Company LLC Agreement” has the meaning set forth in the Preamble.

“Company Units” means all of the issued and outstanding Class A Member Units, Class B Member Units, Class D Member Units, Class E Member Units, Class F Member Units and Class G Member Units of the Company.

“Contracts” means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint venture agreements and all other legally binding agreements, commitments and arrangements, whether written or oral.

“D&O Tail Policies” has the meaning set forth in Section 8.4(b).

“Data Room” means the Merrill Corporation electronic data room made available to Purchaser by the Company in connection with the negotiation of this Agreement.

“Disclosure Schedules” has the meaning set forth in Section 12.15.

“Dispute Notice” has the meaning set forth in Section 2.12(b).

“Distribution Waterfall” means the manner in which the Aggregate Closing Consideration, as well as any post-Closing payments to be made pursuant to this Agreement, is to be allocated among the HealthHelp Corp Sellers in respect of the HealthHelp Corp Stock and the Unitholders (other than HealthHelp Corp) in respect of Company Units. The Distribution Waterfall is set forth on Exhibit A attached hereto.

“DLLCA” has the meaning set forth in the Preamble.

“D&O Indemnified Person” has the meaning set forth in Section 8.4(b).

“Effective Time” has the meaning set forth in Section 2.3.

“Employee Pension Plans” has the meaning set forth in Section 3.16(a).

“Employee Welfare Plans” has the meaning set forth in Section 3.16(a).

“Employee Plans” has the meaning set forth in Section 3.16(a).

“Employment Agreement” has the meaning set forth in Section 2.13(e).

“Environmental Laws” means all applicable federal, state, local and foreign statutes, regulations, and rules concerning pollution or protection of the environment, as the foregoing are enacted and in effect, on the Closing Date.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.



“ERISA Affiliate” means any entity that together with the HealthHelp Entities would be deemed a “single employer” for purposes of Section 414(b), (c), (m) or (i) of the Code.

“Escrow Agent” means Citibank, N.A., as the Escrow Agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement to be entered into at the Closing by Parent, the Sellers’ Representative and the Escrow Agent.

“Escrow Amount” means cash in the amount of Five Hundred Thousand Dollars (\$500,000).

“Escrow Fund” means the Escrow Amount deposited into escrow pursuant to the Escrow Agreement.

“Estimated Cash” means the estimated Cash of the HealthHelp Entities and HealthHelp Corp as of immediately prior to the Closing, as set forth on the Closing Certificate delivered to Purchaser pursuant to Section 2.10.

“Estimated Indebtedness” means the estimated Indebtedness of the HealthHelp Entities and HealthHelp Corp as of immediately prior to the Closing, as set forth on the Closing Certificate delivered to Purchaser pursuant to Section 2.10.

“Estimated Sellers’ Transaction Expenses” means the estimated Sellers’ Transaction Expenses, as set forth in the Closing Certificate delivered to Purchaser pursuant to Section 2.10.

“Estimated Working Capital” means the estimated Working Capital of the HealthHelp Entities as of 11:59 p.m. on the date immediately preceding the Closing Date, as set forth on the Closing Certificate delivered to Purchaser pursuant to Section 2.10.

“Excess Amount” has the meaning set forth in Section 2.12(d).

“Excess Shortfall Amount” has the meaning set forth in Section 2.12(c).

“Farnsworth” has the meaning set forth in the Preamble.

“Farnsworth Holdback Amount” has the meaning set forth in Section 2.13(k)(vii).

“Farnsworth Restricted Period” means the period from the Closing Date to and including the fourth (4th) anniversary of the Closing Date.

“Finally Determined” has the meaning set forth in Section 11.9.

“Financial Statements” has the meaning set forth in Section 3.5.



“GAAP” means United States generally accepted accounting principles, consistently applied.

“General Holdback Amount” has the meaning set forth in Section 2.13(k)(ix).

“General Holdback Sellers” has the meaning set forth in Section 2.13(k)(x).

“Goodwin” has the meaning set forth in Section 12.1(h).

“Governmental Authority” means any government, governmental agency, department, bureau, office, commission, authority or instrumentality, or court of competent jurisdiction, in each case whether foreign, federal, state or local.

“Gross Purchase Price” means Ninety-Five Million Dollars (\$95,000,000).

“HCCA Agreement” shall mean the Administrative Services Agreement by and between Health Care Corporation of America Health Connections d/b/a HCCA Health Connections (“HCCA Connections”) and the Operating Company, effective as of September 2, 2011, as amended by that certain First Amendment, dated September 2, 2011, pursuant to which HCCA Connections was replaced by Health Care Corporation of America International as a party, as amended by that certain Second Amendment, dated April 4, 2013, as amended by that certain Third Amendment, dated August 19, 2013, as amended by that certain Fourth Amendment, dated July 29, 2014, as amended by that certain Statement of Work, dated June 27, 2016.

“HealthHelp Corp” has the meaning set forth in the Preamble.

“HealthHelp Corp Consideration” has the meaning set forth in Section 2.1.

“HealthHelp Corp Indemnifiable Tax Losses” has the meaning set forth in Section 11.4(k).

“HealthHelp Corp Sellers” has the meaning set forth in the Preamble.

“HealthHelp Corp Stock” has the meaning set forth in the Preamble.

“HealthHelp Corp Stock Acquisition” has the meaning set forth in Section 2.2.

“HealthHelp Corp Tax Refund” has the meaning set forth in Section 8.9(d).

“HealthHelp Corp Units” means all Company Units held by HealthHelp Corp.

“HealthHelp Corp Unpaid Taxes” means an amount (never to be less than \$0) equal to the federal, state and local income Tax liability of HealthHelp Corp for the period (or portion thereof) through and including the Closing Date, reduced by any Tax attribute of HealthHelp Corp that is attributable to a taxable period (or portion thereof) ending on or prior to the Closing Date and any estimated Taxes paid on or after January 1, 2017 and on or prior to the Closing Date and any overpayments for the 2016 taxable year applied against such liability for the tax year beginning January 1, 2017.



“HealthHelp Entities” means the Company, together with each of its Subsidiaries.

“HealthHelp Tax Refund” has the meaning set forth in Section 8.9(d).

“HIPAA” has the meaning set forth in Section 3.18(a).

“XXXX” has the meaning set forth in Section 2.13(k)(xi).

“XXXX Conditions” has the meaning set forth in Section 2.13(k)(xii).

“XXXX Contract” has the meaning set forth in Section 2.13(k)(xiii).

“XXXX Revenue Target” has the meaning set forth in Section 2.13(k)(xiv).

“Indebtedness” means at a particular time, without duplication, with respect to a Person, (a) any indebtedness of such Person for borrowed money or issued in substitution or exchange for indebtedness for borrowed money, (b) any indebtedness of such Person evidenced by any note, bond, debenture or other debt security, (c) any indebtedness guaranteed in any manner by such Person, (d) any obligations under capitalized leases or leases required to be capitalized pursuant to GAAP, (e) any letters of credit and bankers’ acceptances if and to the extent drawn, (f) any obligations issued or assumed as the deferred purchase price of property or services, (g) any obligations secured by Liens (other than Permitted Liens) on property or assets owned by such Person, (h) accrued and unpaid pre-Closing Tax obligations for a taxable period (or portion thereof) ending on the Closing Date, limited, in the case of income Taxes of HealthHelp Corp, to the HealthHelp Corp Unpaid Taxes, or (i) accrued interest to and including the Closing Date in respect of any of the obligations described in the foregoing clauses (a) through (h) of this definition and all premiums, penalties, charges, fees, expenses and other amounts that are or would be due (including with respect to early termination) in connection with the payment and satisfaction in full of such obligations.

“Indemnified Party” has the meaning set forth in Section 11.5.

“Indemnifying Party” has the meaning set forth in Section 11.5.

“Insurance Policies” has the meaning set forth in Section 3.23.

“IRS” means the U.S. Internal Revenue Service.

“Item of Dispute” has the meaning set forth in Section 2.12(b).

“Key Employees” means Uday Deshmukh, Amit Gupta, Mark Conroy, Todd Shoe and Todd Silman.



“Knowledge” means (a) in the case of the Company, the actual knowledge of Cherrill Farnsworth, Amit Gupta, Uday Deshmukh, Mark Conroy, Todd Shoe, Todd Silman, David Ripley and David Gibson, in each case after due inquiry, (b) in the case of HealthHelp Corp, the actual knowledge of the directors and officers thereof, in each case after due inquiry, and (c) in the case of the HealthHelp Corp Sellers, the actual knowledge of the directors and officers of the applicable HealthHelp Corp Seller, in each case after due inquiry.

“Latest Balance Sheet” has the meaning set forth in Section 3.5(a)(i).

“Law” means all laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law of the United States, any state, county, city or other political subdivision of any Governmental Authority.

“Lease” has the meaning set forth in Section 3.8(b).

“Leased Real Property” means all of the right, title and interest of the HealthHelp Entities under all written leases, subleases and license agreements, pursuant to which the HealthHelp Entities hold a leasehold or sub-leasehold estate in, or are granted the right to use or occupy, any land, buildings, improvements, fixtures or other interest in real property which is used in the operation of the Business.

“Letter of Transmittal” has the meaning set forth in Section 2.8(a).

“Liability” means, with respect to any Person, any liability or obligation of such Person of any kind, nature, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise and whether or not the same is required to be accrued on the financial statements of such Person.

“Liens” means any mortgage, pledge, security interest, encumbrance, lien, easement, encroachment, right of way, community property interest, pledge, condition, claim or charge (other than, in the case of a security, any restriction on the transfer of such security arising solely under Law).

“Loss” or “Losses” means losses, damages, Liabilities, deficiencies, Actions, judgments, interest, awards, amounts paid in settlement, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees, the cost of enforcing any right to indemnification hereunder, any attorneys’ fees or other costs incurred to pursue claims under any insurance policy, fidelity bond, surety bond or similar Contract; provided, that Losses shall in all cases exclude exemplary or punitive damages claimed, incurred or suffered by any Indemnified Party other than exemplary or punitive damages actually payable to a third party.

“Loss Tax Benefit” has the meaning set forth in Section 11.4(h).



“Material Adverse Effect” means any event, circumstance, change, occurrence or effect (collectively, “Events”) that, individually or in the aggregate, has, or would reasonably be expected to have, a material and adverse effect upon (a) the Business, assets, liabilities, condition or operating results of HealthHelp Corp or the HealthHelp Entities, taken as a whole, or (b) the ability of the HealthHelp Entities, HealthHelp Corp, HealthHelp Corp Sellers or the Unitholders to consummate the transactions contemplated by, or perform their respective obligations under, this Agreement; provided, that in respect of clause (a) none of the following (either alone or in combination with any other Event) shall be deemed to constitute, and none of the following shall be taken into account in determining whether there has been, a Material Adverse Effect: any adverse Event arising from or relating to (i) general business or industry conditions related to the Business or the industry in which the HealthHelp Entities operate, (ii) national or international political or social conditions, including any stoppage or shutdown of any Governmental Authority and/or the engagement by the United States or any other country or group in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States or any other country, or any of their respective territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States or any other country or group, (iii) changes in GAAP following the date of this Agreement, (iv) changes in Law following the date of this Agreement, (v) the taking of any action contemplated by this Agreement and the other agreements contemplated hereby (including, without limitation, the taking of any action with the consent of Purchaser or Merger Sub), (vi) changes affecting regulatory, capital market or general economic conditions in the United States or any other country, (vii) any “act of God,” including, but not limited to, weather, natural disasters and earthquakes or (viii) the announcement of the execution of this Agreement (including the announcement of the identity of Purchaser) or the transactions contemplated hereunder, except in the case of each of (i), (ii), (iii), (iv), (vi) or (vii), to the extent that any such change, effect, event, occurrence, state of facts or development disproportionately affects the Business relative to other companies in the industry in which the HealthHelp Entities operate.

“Material Contracts” has the meaning set forth in Section 3.10(a).

“Material Customers” has the meaning set forth in Section 3.10.

“Material Suppliers” has the meaning set forth in Section 3.10.

“Membership Interests” has the meaning set forth in Section 2.7(b).

“Merger” has the meaning set forth in Section 2.2.

“Merger Sub” has the meaning set forth in the Preamble.

“Other Plans” has the meaning set forth in Section 3.16(a).

“Operating Company” means HealthHelp, LLC, a Delaware limited liability company.



“Parent” has the meaning set forth in the Preamble.

“Party” or “Parties” has the meaning set forth in the Preamble.

“Payment Fund” has the meaning set forth in Section 2.8(b).

“Per-Claim Threshold” has the meaning set forth in Section 11.4(a).

“Permits” has the meaning set forth in Section 3.13(b).

“Permitted Liens” means (a) cashiers’, landlords’, mechanics’, materialmens’, carriers’, workmens’, repairmens’, contractors’ and warehousemens’ Liens arising or incurred in the ordinary course of business and for amounts which are not delinquent or are being contested, (b) easements, covenants, conditions, rights-of-way, restrictions and other similar charges and encumbrances of record and other title defects not interfering materially with the ordinary conduct of the Business, (c) Liens for Taxes not yet due and payable or for Taxes that the HealthHelp Entities are contesting, (d) purchase money Liens securing rental payments under capital lease arrangements, (e) Liens arising from documents or writings included in the public records, (f) zoning, building codes or other land use Laws regulating the use or occupancy of the Leased Real Property or the activities conducted thereon which are imposed by any Governmental Authority having jurisdiction over such Leased Real Property which are not violated in any material respect by the current use or occupancy of such Leased Real Property or the operation of the Business, (g) Liens granted to any lender at the Closing in connection with any financing by Purchaser of the transactions contemplated hereby and (h) any other Liens set forth on the Permitted Liens Schedule.

“Person” means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated association, corporation, limited liability company, entity or Governmental Authority.

“Policy Limit” has the meaning set forth in Section 11.4(k).

“Post-Closing Tax Period” means any taxable period that ends after the Closing Date, including the portion of any Straddle Period beginning after the Closing Date.

“Pre-Closing Tax Period” means (i) any taxable period that ends on or before the Closing Date and (ii) with respect to any Straddle Period, the portion of such Straddle Period ending on the Closing Date.

“Pro Forma Returns” has the meaning set forth in Section 8.9(b).

“Proprietary Rights” means, collectively, (a) patents and patent applications, (b) trademarks, service marks, trade names and trade dress, together with all goodwill associated therewith, and internet domain names, (c) copyrights and works of authorship, whether or not copyrightable, (d) trade secrets, know-how and confidential information, (e) computer programs, operating systems, applications, firmware and other code, including all source code, object code, application programming interfaces, data files, databases, protocols, specifications and other documentation thereof, (f) all other intellectual or industrial property and proprietary rights and (g) registrations and applications for any of the foregoing.



“Pro Rata Share” has the meaning set forth in the Support Agreement.

“Purchaser” has the meaning set forth in the Preamble.

“Purchaser Indemnitees” has the meaning set forth in Section 11.2.

“Purchaser Prepared Returns” has the meaning set forth in Section 11.2.

“Purchase Price Allocation” has the meaning set forth in Section 2.14.

“Reduced Cap” has the meaning set forth in Section 11.4(c).

“Reduced Threshold” has the meaning set forth in Section 11.4(b).

“Registered Proprietary Rights” has the meaning set forth in Section 3.11(a).

“Related Party” means (a) HealthHelp Corp Sellers, (b) any member, manager, officer or other member of the executive management team of the Company, (c) any Affiliate of any Person referenced in the foregoing clauses (a)-(b), (d) any trustee or beneficiary of any trust established by any Person referenced in the foregoing clauses (a)-(c) or of which any Person referenced in the foregoing clauses (a)-(c) is a beneficiary or (e) the spouse, parent, child or sibling of any Person referenced in the foregoing clauses (a)-(d).

“Representative” means, with respect to any Person, any and all directors, officers, members, managers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

“Requisite Unitholders” means the Unitholders holding a majority of the outstanding Class A Member Units, Class D Member Units and Class E Member Units of the Company (treating all such units as a single class of units) as of the date hereof.

“Releasee” has the meaning set forth in Section 8.6.

“Restricted Business” means (a) any business activity that is directly competitive with HealthHelp’s Utilization Management Business or its Facility Quality Assessment Business, specifically eviCore, AIM, NIA or any new entity that is substantially similar to HealthHelp’s Utilization Management Business or that of eviCore, AIM, or NIA and (b) any other business activity which is developed by Purchaser in consultation with Farnsworth.

“Restricted Period” means the period from the Closing Date to and including the third (3rd) anniversary of the Closing Date.



“R&W Insurance Policy” means the buy-side representation and warranty insurance policy issued by Berkshire Hathaway Specialty Insurance with respect to the representations and warranties of the HealthHelp Entities, HealthHelp Corp and the HealthHelp Corp Sellers under this Agreement purchased by Purchaser in connection with the execution and delivery of this Agreement.

“Securities Act” means the Securities Act of 1933, as amended from time to time.

“Seller Fundamental Representations” has the meaning set forth in Section 11.1.

“Seller Indemnifying Parties” means the HealthHelp Corp Sellers, Farnsworth and any Unitholder (other than HealthHelp Corp) that executes and delivers the Support Agreement.

“Seller Indemnifiable Tax Losses” has the meaning set forth in Section 11.4(k).

“Seller Indemnitees” has the meaning set forth in Section 11.3.

“Seller Prepared Returns” has the meaning set forth in Section 8.9(b).

“Sellers’ Representative” has the meaning set forth in the Preamble.

“Sellers’ Representative Expense Fund” has the meaning set forth in Section 12.1(f).

“Sellers’ Transaction Expenses” means all fees, costs and expenses incurred by or on behalf of the HealthHelp Entities, HealthHelp Corp, or the Unitholders relating to the negotiation, preparation or execution of this Agreement or any documents or agreements contemplated hereby or the performance or consummation of the transactions contemplated hereby, in each case, that have not been paid as of the Closing, including (a) all financial advisory, legal and accounting fees, costs and expenses, (b) any fees or expenses associated with obtaining the release and termination of any Liens, (c) all brokers’ or finders’ fees, (d) all sale, change of control, “stay around”, retention or similar, bonuses, compensation or payments to current or former managers, directors, employees and other service providers of the HealthHelp Entities paid or payable as a result of or in connection with the transactions contemplated hereby, including the employer portion of any employment payroll Taxes in respect of any of the foregoing to the extent that the payment giving rise to such employment Taxes accrues on or before the Closing Date and (e) the total premium for the D&O Tail Policies.

“Shortfall Amount” has the meaning set forth in Section 2.12(c).

“Stock Purchaser” has the meaning set forth in the Preamble.

“Straddle Period” means any taxable period beginning on or before the Closing Date but ending after the Closing Date.



“Subsidiary” means, with respect to any Person, any partnership, limited liability company, corporation or other business entity of which (a) if a corporation, a majority of the total voting power of shares of capital stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a partnership, limited liability company or other business entity, a majority of the partnership, limited liability company or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a partnership, limited liability company or other business entity if such Person or Persons shall be allocated a majority of partnership, limited liability company or other business entity gains or losses or shall be or control the managing director or general partner of such partnership, limited liability company or other business entity.

“Support Agreement” has the meaning set forth in the Recitals.

“Surviving Company” has the meaning set forth in the Preamble.

“Surviving Company Operating Agreement” has the meaning set forth in Section 2.5.

“Target Working Capital” means an amount equal to Three Million Six Hundred Eighty-One Thousand Three Hundred Ninety Four Dollars (\$3,681,394).

“Tax” or “Taxes” means any federal, state, local or non-U.S. income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall, profits, customs, duties, capital stock, franchise, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, value added, alternative or add-on minimum or other tax, governmental fee, governmental assessment or governmental charge that is in the nature of a tax, whether computed on a separate, consolidated, unitary or combined basis or in any other manner, whether or not disputed, and including any interest, penalties or additions thereto or additional amounts in respect of the foregoing.

“Tax Contest” has the meaning set forth in Section 8.9(c).

“Tax Return” means any return, declaration, report, claim for refund, information return or other document (including any related or supporting schedule, statement or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax of any party or the administration of any Laws relating to any Tax.

“Threshold” has the meaning set forth in Section 11.4(b).

“Transaction Documents” means this Agreement, the Escrow Agreement, the Support Agreement, the Letter of Transmittal and the other certificates, agreements and documents delivered by the Parties at or in connection with the transactions contemplated by this Agreement.



“Transfer Taxes” has the meaning set forth in Section 8.10.

“Unitholders” means the holders of Company Units.

“Valuation Firm” has the meaning set forth in Section 2.12(b).

“Working Capital” means the excess of (a) the current assets of the HealthHelp Entities, over (b) the current liabilities of the HealthHelp Entities, in the case of each of clauses (a) and (b), determined on a consolidated basis in accordance with the Accounting Principles; provided, that for purposes hereof, the current assets of the HealthHelp Entities shall not include any (i) Cash of the HealthHelp Entities, (ii) Tax assets or (iii) prepaid expenses relating to capital expenditures, and the current liabilities of the HealthHelp Entities shall not include any (A) Transfer Taxes, (B) Indebtedness of the HealthHelp Entities, (C) Sellers’ Transaction Expenses, (D) current or deferred Tax liabilities, (E) accounts payable relating to capital expenditures or (F) fees or expenses to the extent relating to financing arranged by or on behalf of, or otherwise incurred by or at the direction of, Purchaser or any of its Affiliates in connection with the transactions contemplated hereby or otherwise. For illustrative purposes only, set forth on the Working Capital Schedule attached hereto is an example calculation of the Working Capital.

“Written Consent” has the meaning set forth in the Preamble.

ARTICLE 2

PURCHASE AND SALE OF THE HEALTHHELP CORP STOCK; MERGER

2.1 Purchase and Sale of HealthHelp Corp Stock. Upon the terms and subject to the conditions set forth herein and on the basis of the representations, warranties, covenants and agreements contained herein, at the Closing and immediately prior to the Effective Time, each HealthHelp Corp Seller shall sell to the Stock Purchaser, and the Stock Purchaser shall purchase from such HealthHelp Corp Seller, such HealthHelp Corp Seller’s HealthHelp Corp Stock, free and clear of all Liens (other than any transfer restrictions under the Securities Act or state securities laws or Liens created by or resulting from actions of the Stock Purchaser). The aggregate purchase price for the HealthHelp Corp Stock payable by the Stock Purchaser at the Closing (the “HealthHelp Corp Consideration”) shall be the portion of the Aggregate Closing Consideration allocable to the HealthHelp Corp Stock in accordance with the Distribution Waterfall. At the Closing, each HealthHelp Corp Seller shall be paid such HealthHelp Corp Seller’s percentage of the HealthHelp Corp Consideration in respect of the HealthHelp Corp Stock held by such HealthHelp Corp Seller based upon the percentage set forth next to such HealthHelp Corp Seller’s name on Schedule 2.1.



2.2 Merger. At the Effective Time and upon the terms and subject to the conditions of this Agreement and the applicable provisions of the DLLCA, Merger Sub shall merge with and into the Company, the separate limited liability company existence of Merger Sub shall cease and the Company shall continue as the Surviving Company (the "Merger"). The purchase transactions contemplated by Section 2.1 (the "HealthHelp Corp Stock Acquisition"), which shall occur immediately prior to the consummation of the Merger contemplated by this Section 2.2, shall constitute a separate transaction hereunder. At the Closing, the Parties shall be deemed to consummate the HealthHelp Corp Stock Acquisition immediately prior to the consummation of the Merger, but neither the HealthHelp Corp Stock Acquisition nor the Merger shall be consummated unless both transactions are consummated.

2.3 The Closing and the Effective Time. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of the Company, 16945 Northchase Drive, Suite 1300, Houston, Texas, commencing at 8:00 a.m. local time on the date hereof. The date of the Closing is referred to herein as the "Closing Date." On the Closing Date, and upon the terms and subject to the conditions of this Agreement, the Parties shall cause the Merger to be consummated by filing the Certificate of Merger (the "Certificate of Merger"), with the Secretary of State of the State of Delaware as required by, and executed in accordance with, the applicable provisions of the DLLCA (the time of such filing with the Secretary of State of the State of Delaware, or such later time as may be agreed upon in writing by Purchaser and the Company and specified in the Certificate of Merger, shall be referred to herein as the "Effective Time").

2.4 Effect of the Merger. At the Effective Time, the effect of the Merger shall be as provided in the applicable provisions of the DLLCA. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time by virtue of the Merger and without any action on the part of Merger Sub or the Company, all of the property, rights, privileges, powers and franchises of the Company and Merger Sub shall vest in the Surviving Company, and all debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Company.

2.5 Organizational Documents of the Surviving Company. At the Effective Time, by virtue of the Merger and without any action on the part of Merger Sub or the Company, (a) the limited liability company agreement of Merger Sub shall be the limited liability company agreement of the Surviving Company (the "Surviving Company Operating Agreement"), and (b) the certificate of formation of the Company shall be the certificate of formation of the Surviving Company, each as in effect immediately prior to the Effective Time.

2.6 Manager(s) of the Surviving Company. The manager(s) of Merger Sub immediately prior to the Effective Time shall be the manager(s) of the Surviving Company immediately after the Effective Time, each to hold such office in accordance with the provisions of the Surviving Company Operating Agreement.



2.7 Effect of the Merger on the Company Units and the Limited Liability Company Interests of Merger Sub.

(a) Effect on the Company Units (other than HealthHelp Corp Units). At the Effective Time, by virtue of the Merger and without any action on the part of Merger Sub, the Company or the Unitholders, each Company Unit issued and outstanding immediately prior to the Effective Time (other than the HealthHelp Corp Units), on the terms and conditions set forth in this Agreement, shall be converted automatically into the right to receive a portion of the Aggregate Final Consideration as follows: (i) at the Effective Time, the portion of the Aggregate Closing Consideration allocable to such Company Unit (which, for the avoidance of doubt, will vary depending on the class of such Company Unit) in accordance with the Distribution Waterfall, and (ii) following the Effective Time, the portion of the Additional Payments, if any, which become payable in respect of such Company Unit in accordance with this Agreement. For the avoidance of doubt, in no event shall HealthHelp Corp be entitled to receive any portion of the Aggregate Final Consideration payable pursuant to this Section 2.7(a). All classes of Company Units (other than the HealthHelp Corp Units), when converted pursuant to this Section 2.7(a), shall no longer be outstanding, and each former holder thereof shall cease to have any rights with respect thereto, except the right to receive the portion of the Aggregate Final Consideration provided for in this Section 2.7(a).

(b) Limited Liability Company Interests of Merger Sub and HealthHelp Corp Units. At the Effective Time, by virtue of the Merger and without any action on the part of Merger Sub, HealthHelp Corp, the Company or Parent, the limited liability company interests in Merger Sub issued and outstanding immediately prior to the Effective Time and all HealthHelp Corp Units shall automatically be cancelled, extinguished and converted into the limited liability company membership interests in the Surviving Company (the "Membership Interests") as follows: 36% of the Membership Interests will be owned by the Parent and 64% of the Membership Interests will be owned by HealthHelp Corp. Each certificate evidencing ownership of limited liability company interests in Merger Sub, if any, and each certificate representing HealthHelp Corp Units, if any, shall automatically be deemed to evidence ownership of such interests of the Surviving Company.

2.8 Mechanism of Payment.

(a) Prior to the date hereof, the Company delivered to each Unitholder (other than HealthHelp Corp) a Letter of Transmittal. To the extent that any Unitholder (other than HealthHelp Corp) shall have, prior to the Closing Date, delivered to the Company such Letter of Transmittal, duly executed and completed in accordance with the instructions thereto, the Sellers' Representative shall pay to such Unitholder at the Closing, out of the funds provided to the Sellers' Representative by Parent pursuant to Section 2.11(a), the portion of the Aggregate Closing Consideration payable to such Unitholder in accordance with Section 2.7(a), which amounts shall be paid by wire transfer of immediately available funds to the account designated by such Unitholder in such Unitholder's Letter of Transmittal.

(b) An amount equal to (i) the Aggregate Closing Consideration less (ii) the aggregate amount payable to the Unitholders at the Closing pursuant to Section 2.8(a) less (iii) the HealthHelp Corp Consideration is referred to herein as the "Payment Fund." The Payment Fund shall be held by the Sellers' Representative in a segregated bank account and used solely and exclusively for purposes of paying the consideration specified in Section 2.8(c). The Sellers' Representative shall make the payments provided for in Section 2.8(c) out of the Payment Fund.



(c) Following the Closing, upon delivery by a Unitholder (other than HealthHelp Corp) that did not receive a portion of the Aggregate Closing Consideration at the Closing pursuant to Section 2.8(a) to the Sellers' Representative of a Letter of Transmittal, duly executed and completed in accordance with the instructions thereto, the Sellers' Representative shall pay to such Unitholder from the Payment Fund, within five (5) Business Days after such delivery, cash in an amount equal to the portion of the Aggregate Closing Consideration payable to such Unitholder in accordance with Section 2.7(a), which amounts shall be paid by the Sellers' Representative by wire transfer of immediately available funds to the account designated by such Unitholder in such Unitholder's Letter of Transmittal. No interest or dividends will be paid or accrued on the consideration payable to any Unitholder hereunder. Until surrendered in accordance with the provisions of this Section 2.8(c), the Company Units shall represent, for all purposes, only the right to receive an amount in cash equal to the portion of the Aggregate Closing Consideration payable in respect thereof pursuant to Section 2.7(a), without any interest or dividends thereon.

(d) No Party shall be liable to a Unitholder or any other Person in respect of any cash delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law. If any amounts payable with respect to any Company Unit pursuant to this Agreement have not been claimed by the sixth (6th) anniversary of the Closing Date (or immediately prior to such earlier date on which any Aggregate Final Consideration, dividends (whether in cash, stock or property) or other distributions with respect to Company Units would otherwise escheat to or become the property of any Governmental Authority), any such shares, cash, dividends or distributions in respect of such Company Unit shall, to the extent permitted by applicable Law, become the property of the Surviving Company, free and clear of all claims or interests of any Person previously entitled thereto.

(e) Notwithstanding anything herein to the contrary, the Sellers' Representative shall be entitled to direct that any portion of the Sellers' Transaction Expenses, Aggregate Closing Consideration and/or Additional Payments which are payable to current or former employees or independent contractors of any of the HealthHelp Entities be paid to such Persons through the Company's payroll system (and not directly by the Sellers' Representative), subject to withholding as required by applicable Law. Following the Closing, Purchaser shall cause the Surviving Company to take such actions as are reasonably necessary to give effect to the foregoing.

2.9 No Further Ownership Rights in the Company Units. The portion of the Aggregate Final Consideration paid in respect of the Company Units (or, in the case of the HealthHelp Corp Units, the limited liability company interests of Surviving Company issued in respect thereof) in accordance with the terms hereof shall be deemed to be full satisfaction of all rights pertaining to such Company Units, and, upon the Effective Time, there shall be no further registration of transfers on the records of the Surviving Company of Company Units which were outstanding immediately prior to the Effective Time.

2.10 Closing Certificate. At least two (2) Business Days prior to the Closing, the Company delivered to Purchaser a certificate (the "Closing Certificate") setting forth the Company's good faith estimate of (to the extent practicable as of such date):

- (a) the Estimated Cash;



- (b) the Estimated Working Capital;
- (c) the Estimated Indebtedness;
- (d) the Estimated Sellers' Transaction Expenses;
- (e) the Aggregate Closing Consideration; and

(f) a copy of the Distribution Waterfall showing the portion of the Aggregate Closing Consideration payable to each Unitholder and HealthHelp Corp Seller in accordance therewith.

All payments to be made by Purchaser pursuant to Section 2.11 shall be made in accordance with the amounts for such items set forth in the Closing Certificate, as applicable.

2.11 Payments and Deliveries at the Closing. At the Closing, the Parties shall pay or deliver, or cause to be paid or delivered, each of the following:

- (a) Stock Purchaser shall pay to the Sellers' Representative, by wire transfer of immediately available funds to an account designated in writing by the Sellers' Representative, cash in an amount equal to the HealthHelp Corp Consideration, for further distribution to each HealthHelp Corp Seller in accordance with the Distribution Waterfall;
- (b) Parent shall pay to the Sellers' Representative, by wire transfer of immediately available funds to an account designated in writing by the Sellers' Representative, cash in an amount equal to (i) the Aggregate Closing Consideration less (ii) the HealthHelp Corp Consideration, for further distribution to the Unitholders (other than HealthHelp Corp) in accordance with the Distribution Waterfall and Section 2.8;
- (c) Parent shall pay to the Escrow Agent, by wire transfer of immediately available funds to a bank account designated in writing by the Escrow Agent, cash in an amount equal to the Escrow Amount;
- (d) Parent shall pay to the Sellers' Representative, by wire transfer of immediately available funds to an account designated by the Sellers' Representative, cash in an amount equal to the Sellers' Representative Expense Fund;
- (e) Purchaser shall repay, or cause to be repaid, out of the Gross Purchase Price, on behalf of the HealthHelp Entities, all Indebtedness which constitutes indebtedness for borrowed money of the HealthHelp Entities and HealthHelp Corp, in each case as of the Closing Date in accordance with the payoff letters delivered by the HealthHelp Entities to the Purchaser prior to the Closing;
- (f) Parent shall pay to the Sellers' Representative, by wire transfer of immediately available funds to an account designated in writing by the Sellers' Representative prior to the Closing, subject to Section 2.8(e), the aggregate amount of the Estimated Sellers' Transaction Expenses, for further distribution by the Sellers' Representative to the applicable payees entitled to a portion of the Estimated Seller' Transaction Expenses;



(g) HealthHelp Corp and the Company, as applicable, shall each deliver a certification pursuant to Section 1445 of the Code and the Treasury Regulations promulgated thereunder stating that (i) interests in HealthHelp Corp are not U.S. real property interests and (ii) the transfer of interests in the Company are not subject to withholding under Section 1445 of the Code;

(h) each HealthHelp Corp Seller shall deliver to Purchaser stock certificates representing all of the HealthHelp Corp Stock held by such HealthHelp Corp Seller, endorsed in blank or accompanied by duly executed assignment documents, or affidavit(s) of loss in lieu thereof;

(i) the Company shall deliver written resignations, effective as of the Closing Date, of all of the officers and members of the Company Board;

(j) HealthHelp Corp shall deliver written resignations, effective as of the Closing Date, of the board of directors and all of the officers of HealthHelp Corp;

(k) the Company shall deliver certificates issued by the Secretary of State of the state of Delaware certifying that each of HealthHelp Corp, the Company and the Operating Company has legal existence and is in good standing as of a date that is no earlier than five (5) Business Days prior to the Closing;

(l) Purchaser shall deliver to the Sellers' Representative certified copies of the resolutions duly adopted by (A) the board of managers (or equivalent governing bodies) of each of the Stock Purchaser, Parent and Merger Sub and (B) Parent in its capacity as the sole member of Merger Sub, in each case authorizing the execution, delivery and performance of this Agreement, the Transaction Documents and the consummation of all transactions contemplated hereby;

(m) the Parties shall deliver the Escrow Agreement duly executed by Parent, the Sellers' Representative and the Escrow Agent;

(n) the employment agreement duly executed and delivered by Farnsworth and the Operating Company;

(o) the employment agreements duly executed and delivered by each Key Employee and the Operating Company;

(p) the Company shall deliver the Written Consent;

(q) the Operating Company shall deliver a certificate executed by an officer of the Operating Company as of the Closing Date certifying as to: (A) the certificate of formation of the Operating Company, as in effect at the time of the Closing; and (B) the Operating Agreement of the Operating Company, as in effect at the time of the Closing;



(r) the Company shall deliver a certificate executed by an officer of the Company as of the Closing Date certifying as to: (i) the certificate of formation of the Company, as in effect immediately prior to the Closing; (ii) the Operating Agreement of the Company, as in effect immediately prior to the Closing and (iii) the resolutions duly adopted by the Company Board authorizing the execution, delivery and performance of this Agreement and the consummation of all transactions contemplated hereby;

(s) HealthHelp Corp shall deliver a certificate executed by an officer of HealthHelp Corp as of the Closing Date certifying as to: (i) the certificate of incorporation of HealthHelp Corp, as in effect at the time of the Closing; and (ii) the Bylaws of HealthHelp Corp in effect at the time of the Closing and (iii) the resolutions duly adopted by the board of directors of HealthHelp Corp authorizing the execution, delivery and performance of this Agreement and the consummation of all transactions contemplated hereby;

(t) the Sellers' Representative shall deliver a validly completed and executed Internal Revenue Service Form W-8 BEN or Form W-9, as applicable, from each HealthHelp Corp Seller establishing such HealthHelp Corp Seller's exemption from withholding Tax;

(u) the Company shall deliver a written consent to assignment from XXXX, as required pursuant to the XXXX Contract, in connection with the transactions contemplated hereby, in the form attached hereto as Exhibit B; and

(v) the Operating Company shall deliver an amendment to the HCCA Agreement, in the form attached hereto as Exhibit C.

2.12 Determination of Post-Closing Adjustment.

(a) Promptly, but in any event within ninety (90) days after the Closing Date, Purchaser and its auditors shall prepare and deliver to the Sellers' Representative a statement, duly certified by the Stock Purchaser and Parent as accurately setting forth Purchaser's good faith determination of (i) the Cash of the HealthHelp Entities and HealthHelp Corp as of immediately prior to the Closing, (ii) the Sellers' Transaction Expenses, (iii) the Indebtedness of the HealthHelp Entities and HealthHelp Corp as of immediately prior to the Closing, and (iv) the Working Capital of the HealthHelp Entities as of 11:59 p.m. on the date immediately preceding the Closing Date, in each case as determined on a consolidated basis in accordance with GAAP, applied on a basis consistent with the Accounting Principles, together with (x) the consolidated balance sheet of the HealthHelp Entities as of the Closing and the balance sheet of HealthHelp Corp as of the Closing (the "Closing Balance Sheet") from which such determinations were derived, and (y) such other information on which the calculations reflected thereon are based, in such detail as shall be reasonably acceptable to the Sellers' Representative (such statement, together with such accompanying balance sheet and other information, the "Closing Statement").



(b) If the Sellers' Representative disagrees with Purchaser's determination of the Cash, Indebtedness, Working Capital and/or the Sellers' Transaction Expenses, in each case as reflected on the Closing Statement, the Sellers' Representative may, within thirty (30) days after receipt of the Closing Statement, deliver a written notice (the "Dispute Notice") to Purchaser setting forth the Sellers' Representative's calculation of each disputed amount (each an "Item of Dispute"). The Sellers' Representative shall have reasonable access to (i) all books and records and work papers (including those of Purchaser's, HealthHelp Corp's and the HealthHelp Entities' accountants and auditors), but only to the extent such information specifically relates to the Closing Statement, (ii) such historical financial information (to the extent in Purchaser's possession) and all other items relating to the Closing Statement as is reasonably requested by the Sellers' Representative and (iii) employees and accountants of Purchaser, HealthHelp Corp and the HealthHelp Entities to the extent access of such individuals is reasonably necessary to assist the Sellers' Representative in its review of such work papers and the Closing Statement; provided, that in each case, such access shall be in a manner that does not interfere with the normal business operations of Purchaser, HealthHelp Corp or the HealthHelp Entities. If Purchaser does not receive a Dispute Notice within thirty (30) days after receipt by the Sellers' Representative of the Closing Statement, the Closing Statement shall be conclusive and binding upon each of the Parties. If Purchaser receives a Dispute Notice from the Sellers' Representative within thirty (30) days after receipt by the Sellers' Representative of the Closing Statement, Purchaser and the Sellers' Representative shall use reasonable efforts to resolve each Item of Dispute, and, if any Item of Dispute is so resolved, the Closing Statement shall be modified to the extent necessary to reflect such resolution. If any Item of Dispute remains unresolved as of the thirtieth (30th) day after delivery by the Sellers' Representative of the Dispute Notice, Purchaser and the Sellers' Representative shall jointly retain PricewaterhouseCoopers LLP or such other independent valuation firm of recognized international standing that is reasonably acceptable to Purchaser and the Seller' Representative (the "Valuation Firm") to resolve such remaining disagreement, it being understood that any item not included as an Item of Dispute in the Dispute Notice shall be conclusive and binding upon each of the Parties as set forth in the Closing Statement. If Purchaser and Sellers' Representative are unable to agree on the choice of the Valuation Firm, then the Valuation Firm will be selected jointly by a public accounting firm of recognized national standing designated by the Sellers' Representative and a public accounting firm of a recognized national standing designated by Purchaser. Purchaser and the Sellers' Representative shall request that the Valuation Firm render a determination as to each unresolved Item of Dispute within thirty (30) days after its retention, and Purchaser and the Sellers' Representative shall, and Purchaser shall cause HealthHelp Corp and the HealthHelp Entities and each of their respective agents and representatives to, cooperate fully with the Valuation Firm so as to enable it to make such determination as quickly and accurately as reasonably practicable, including by the provision by Purchaser, HealthHelp Corp and the HealthHelp Entities of all books and records and work papers (including those of their accountants and auditors), but only to the extent such information specifically relates to the Closing Statement, and all other items reasonably requested by the Valuation Firm (in each case in such a manner so as not to waive or eliminate any privilege applicable to any such information). The Valuation Firm shall consider only those items and amounts that were set forth on the Closing Statement and the Dispute Notice that remain unresolved by Purchaser and the Sellers' Representative. In resolving any Item of Dispute, the Valuation Firm may not assign a value to any item greater than the greatest value for such item claimed by either Party, or less than the smallest value for such item claimed by either Party, on the Closing Statement or the Dispute Notice, as applicable. The Valuation Firm's determination(s) shall be made in accordance with GAAP, applied in a manner consistent with the Accounting Principles, and shall be based upon the definitions of Cash, Sellers' Transaction Expenses, Indebtedness and Working Capital (as applicable) included herein, and shall not be an independent review. The Valuation Firm's determination of each Item of Dispute submitted to it shall be in writing, shall conform with this Section 2.12 and shall be conclusive and binding upon each of the Parties, and the Closing Statement shall be modified to the extent necessary to reflect such determination (s). The Valuation Firm shall allocate its fees, costs and expenses between Purchaser on the one hand, and the Sellers' Representative on the other hand, based upon the percentage which the portion of the contested amount not awarded to each such Party bears to the amount actually contested by such Party. The Cash of the HealthHelp Entities and HealthHelp Corp, Sellers' Transaction Expenses, Indebtedness of the HealthHelp Entities and HealthHelp Corp and the Working Capital of the HealthHelp Entities, in each case as finally determined pursuant to this Section 2.12, are referred to herein as the "Actual Cash," "Actual Sellers' Transaction Expenses," the "Actual Indebtedness" and the "Actual Working Capital", respectively. The Aggregate Closing Consideration as calculated using Actual Cash (instead of Estimated Cash), Actual Sellers' Transaction Expenses (instead of Estimated Sellers' Transaction Expenses), Actual Indebtedness (instead of Estimated Indebtedness) and Actual Working Capital (instead of Estimated Working Capital) are referred to herein as the "Actual Aggregate Closing Consideration".



(c) Payment to Purchaser. If the Actual Aggregate Closing Consideration as finally determined is less than the Aggregate Closing Consideration (such shortfall, the “Shortfall Amount”), the Sellers’ Representative and Purchaser shall jointly instruct the Escrow Agent to pay, within five (5) Business Days after such determination, (i) in the event that the Shortfall Amount is equal to or less than the amount of funds in the Escrow Fund (A) to Purchaser, by wire transfer of immediately available funds from the Escrow Fund to a bank account designated in writing by Purchaser, the Shortfall Amount, and (B) to the Sellers’ Representative (for distribution to the Unitholders (other than HealthHelp Corp) and the HealthHelp Corp Sellers in accordance with the Distribution Waterfall), the then-remaining balance of the Escrow Fund, if any, by wire transfer of immediately available funds to a bank account designated in writing by the Sellers’ Representative; provided, that in the event that the Shortfall Amount exceeds the funds in the Escrow Fund (the amount of such excess, if any, the “Excess Shortfall Amount”), then the Seller Indemnifying Parties, severally in accordance with their Pro Rata Shares, shall pay or cause to be paid to Purchaser the Excess Shortfall Amount.

(d) Payment to the Sellers’ Representative. If the Actual Aggregate Closing Consideration as finally determined is more than the Aggregate Closing Consideration (such excess, the “Excess Amount”), Purchaser shall (i) pay, within five (5) Business Days after such determination, to the Sellers’ Representative (for distribution to the Unitholders (other than HealthHelp Corp) and the HealthHelp Corp Sellers in accordance with the Distribution Waterfall), by wire transfer of immediately available funds to a bank account designated in writing by the Sellers’ Representative, cash in an amount equal to the Excess Amount and (ii) jointly with the Sellers’ Representative, instruct the Escrow Agent to pay, within five (5) Business Days after such determination to the Sellers’ Representative (for distribution to the Unitholders (other than HealthHelp Corp) and the HealthHelp Corp Sellers in accordance with the Distribution Waterfall), the amount in the Escrow Fund in its entirety by wire transfer of immediately available funds to a bank account designated in writing by the Sellers’ Representative.



2.13 Deferred Payments. In addition to the payments provided for elsewhere in this Agreement, the Unitholders (other than HealthHelp Corp) and the HealthHelp Corp Sellers shall have a contingent right to the following payments, in accordance with and subject to the terms and conditions of this Section 2.13.

(a) 2017 General Deferred Payment. No later than March 31, 2018, Purchaser shall pay, or cause to be paid, to the Sellers' Representative, for further distribution to the General Holdback Sellers in accordance with the Distribution Waterfall, an amount in cash equal to the 2017 General Deferred Payment Amount; provided, that the 2017 General Deferred Payment Amount shall only become payable hereunder if the XXXX Condition shall have been satisfied for the Company's 2017 fiscal year.

(b) 2018 General Deferred Payment. No later than March 31, 2019, Purchaser shall pay, or cause to be paid, to the Sellers' Representative, for further distribution to the General Holdback Sellers in accordance with the Distribution Waterfall, an amount in cash equal to the 2018 General Deferred Payment Amount; provided, that the 2018 General Deferred Payment Amount shall only become payable hereunder if the XXXX Condition shall have been satisfied for the Company's 2018 fiscal year.

(c) 2017 Farnsworth Deferred Payment. No later than March 31, 2018, Purchaser shall pay, or cause to be paid, to an account designated in writing by Farnsworth, an amount in cash equal to the 2017 Farnsworth Deferred Payment Amount; provided, that the 2017 Farnsworth Deferred Payment Amount shall only become payable hereunder if the XXXX Condition shall have been satisfied for the Company's 2017 fiscal year.

(d) 2018 Farnsworth Deferred Payment. No later than March 31, 2019, Purchaser shall pay, or cause to be paid, to an account designated in writing by Farnsworth, an amount in cash equal to the 2018 Farnsworth Deferred Payment Amount; provided, that the 2018 Farnsworth Deferred Payment Amount shall only become payable hereunder if the XXXX Condition shall have been satisfied for the Company's 2018 fiscal year.

(e) 2017 Farnsworth Supplemental Deferred Payment. No later than thirty (30) days following the first (1st) anniversary of the Closing Date, Purchaser shall pay, or cause to be paid, to an account designated in writing by Farnsworth, an amount in cash equal to XXXX of the Farnsworth Holdback Amount; provided, that such amount shall only become payable hereunder if Farnsworth's employment with the Operating Company (and/or its Affiliates) shall not have been terminated (y) for "Cause" (as defined in the Employment Agreement, dated on or about the date hereof, between the Operating Company and Farnsworth (the "Employment Agreement")) or (z) by Farnsworth without "Good Reason" (as defined in the Employment Agreement), in either case prior to the first (1st) anniversary of the Closing Date.



(f) 2018 Farnsworth Supplemental Deferred Payment. No later than thirty (30) days following the second (2nd) anniversary of the Closing Date, Purchaser shall pay, or cause to be paid, to an account designated in writing by Farnsworth, an amount in cash equal to XXXX of the Farnsworth Holdback Amount; provided, that such amount shall only become payable hereunder if Farnsworth's employment with the Operating Company (and/or its Affiliates) shall not have been terminated (y) for "Cause" (as defined in the Employment Agreement) or (z) by Farnsworth without "Good Reason" (as defined in the Employment Agreement), in either case prior to the second (2nd) anniversary of the Closing Date.

(g) Calculation; Dispute Resolution. On the applicable date of determination with respect to the payments provided for in Section 2.13(a) through (d), Purchaser shall deliver to the Sellers' Representative a statement setting forth (i) Purchaser's determination of whether a payment is due and payable under the applicable provision of this Section 2.13, and (ii) the calculations and/or evidence supporting such determination in such detail as shall be reasonably acceptable to the Sellers' Representative. If the Sellers' Representative disagrees with such statement, it may, within thirty (30) days after receipt of such statement, deliver a written notice to Purchaser setting forth its calculations relating to the disputed items. Within thirty (30) days' after receipt of such written notice, Purchaser and the Sellers' Representative shall use reasonable efforts to resolve each such disputed item. If any disputed item remains unresolved as of the thirtieth (30th) day after receipt by Purchaser of such written notice, Purchaser and the Sellers' Representative shall jointly retain the Valuation Firm (which decision of the Valuation Firm shall be final and binding on all the Parties) to resolve such remaining disagreements. The other provisions of Section 2.12(b) shall apply to this Section 2.13(g) mutatis mutandis.

(h) The payments pursuant to Section 2.13 shall be made to Farnsworth and/or the Sellers' Representative, as applicable, in cash by wire transfer of immediately available funds to an account designated by the applicable payee within three (3) Business Days of the final determination of the payment amount (if any) pursuant to this Section 2.13.

(i) Purchaser shall have the right to operate the business and activities of Purchaser and the HealthHelp Entities following the Closing in any way that Purchaser deems appropriate in its sole discretion. The Parties acknowledge and agree that this Section 2.13 shall not create any duty of Purchaser or the HealthHelp Entities to Farnsworth or the General Holdback Sellers, including any fiduciary duty or any other express or implied duty, other than a duty of good faith and fair dealing.

(j) The Parties do not intend the right of Farnsworth or the General Holdback Sellers to receive the payments provided for in this Section 2.13 to be a security. Accordingly, the right of Farnsworth or the General Holdback Sellers to receive the payments provided for in this Section 2.13 (A) shall not be represented by a certificate, (B) does not represent an ownership interest in the Stock Purchaser, Parent or the HealthHelp Entities, and (C) does not entitle Farnsworth or the General Holdback Sellers to any rights common to equity holders of Purchaser or the HealthHelp Entities.



(k) Definitions.

(i) “2017 Actual Revenue Percentage” means a fraction, expressed as a percentage, the numerator of which is the Actual XXXX Revenue for the Company’s 2017 fiscal year, and the denominator of which is the XXXX Revenue Target.

(ii) “2017 Farnsworth Deferred Payment Amount” means an amount in cash equal to the product obtained by multiplying (i) XXXX of the Farnsworth Holdback Amount by (ii) a fraction, the numerator of which is the 2017 Actual Revenue Percentage XXXX and the denominator of which is XXXX (it being understood that in no event shall the 2017 Farnsworth Deferred Payment Amount be less than zero nor more than XXXX of the Farnsworth Holdback Amount).

(iii) “2017 General Deferred Payment Amount” means an amount in cash equal to the product obtained by multiplying (i) XXXX of the General Holdback Amount by (ii) a fraction, the numerator of which is the 2017 Actual Revenue Percentage XXXX and the denominator of which is XXXX (it being understood that in no event shall the 2017 General Deferred Payment Amount be less than zero nor more than XXXX of the General Holdback Amount).

(iv) “2018 Actual Revenue Percentage” means a fraction, expressed as a percentage, the numerator of which is the Actual XXXX Revenue for the Company’s 2018 fiscal year, and the denominator of which is the XXXX Revenue Target.

(v) “2018 Farnsworth Deferred Payment Amount” means an amount in cash equal to the product obtained by multiplying (i) XXXX of the Farnsworth Holdback Amount by (ii) a fraction, the numerator of which is the 2018 Actual Revenue Percentage XXXX and the denominator of which is XXXX (it being understood that in no event shall the 2018 Farnsworth Deferred Payment Amount be less than zero nor more than XXXX of the Farnsworth Holdback Amount).

(vi) “2018 General Deferred Payment Amount” means an amount in cash equal to the product obtained by multiplying (i) XXXX of the General Holdback Amount by (ii) a fraction, the numerator of which is the 2018 Actual Revenue Percentage XXXX and the denominator of which is XXXX (it being understood that in no event shall the 2018 General Deferred Payment Amount be less than zero nor more than XXXX of the General Holdback Amount).

(vii) “Actual XXXX Revenue” means, with respect to any fiscal year of the Company, the actual revenue associated with XXXX in such fiscal year, in each case determined in accordance with GAAP.

(viii) “Farnsworth Holdback Amount” means XXXX



(ix) "General Holdback Amount" means XXXX.

(x) "General Holdback Sellers" means, collectively, (i) the Unitholders (other than Farnsworth and HealthHelp Corp) and (ii) the HealthHelp Corp Sellers.

(xi) "XXXX" means XXXX, together with its Affiliates.

(xii) "XXXX Condition" means, with respect to any fiscal year of the Company, (A) the XXXX Contract being in effect on the last Business Day of such fiscal year, (B) XXXX having not, during such fiscal year, provided any notice to the Company that it intends to terminate the XXXX Contract, (C) the Company having no Knowledge that XXXX intends to terminate the XXXX Contract and (D) the Actual XXXX Revenue for such fiscal year exceeding XXXX of the XXXX Revenue Target.

(xiii) "XXXX Contract" means the XXXX, by and between the Operating Company and XXXX, including all amendments, extensions, supplements and modifications thereto from time to time, with the most recent amendment dated XXXX, and all exhibits, statements of work or their equivalent executed in connection therewith describing the services to be provided by the Operating Company to XXXX and its Affiliates.

(xiv) "XXXX Revenue Target" means XXXX.

(l) For the avoidance of doubt, (i) any portion of the Farnsworth Holdback to which Farnsworth is entitled under this Agreement shall be paid to Farnsworth by Parent (and not Stock Purchaser) as deferred purchase price in consideration for Farnsworth's Company Units and (ii) any portion of the General Holdback to which the General Holdback Sellers are entitled under this Agreement shall be paid to the Unitholders (other than HealthHelp Corp) by Parent (and not Stock Purchaser) as deferred purchase price in consideration for their Company Units and to the HealthHelp Corp Sellers by Stock Purchaser (and not Parent) as deferred purchase price in consideration of their HealthHelp Corp Stock.

(m) Purchaser, the Surviving Company and the Sellers' Representative agree for all Tax purposes: (i) the rights of (A) Farnsworth to the Farnsworth Holdback Amount (or any portion thereof) and (B) the General Holdback Sellers to the General Holdback Amount (or any portion thereof), in each case, shall be treated as deferred contingent purchase price for the disposition of their Company Units and the HealthHelp Corp Stock, as applicable, eligible for installment sale treatment under Section 453 of the Code and any corresponding provision of state, local or non-U.S. applicable Law and (ii) if and to the extent any amount of the Farnsworth Holdback Amount or General Holdback Amount is actually distributed to Farnsworth or the General Holdback Sellers, as applicable, interest may be imputed on such amount as required by Section 483 or Section 1274 of the Code. All Parties hereto shall file all Tax Returns consistently with the foregoing.



2.14 Allocation of Amounts Paid By Purchaser or Merger Sub. The Aggregate Final Consideration and the portion of the liabilities of the HealthHelp Entities (plus other relevant capitalizable items of Parent) attributable to the transfer of Company Units (other than the HealthHelp Corp Units) pursuant to the Merger and the resulting inside basis adjustments to the assets of the Company with respect to Parent shall be allocated for all purposes (including Tax) (the “Purchase Price Allocation”) among the assets of the Company as of the Closing Date in a manner consistent with the Purchase Price Allocation methodology set forth in Schedule 2.14 and all applicable Tax Law requirements (including, without limitation, Sections 743, 751 and 755 of the Code). Parent shall prepare a draft of such allocation consistent with the methodology set forth in Schedule 2.14 by the earlier of sixty (60) days following the determination of Aggregate Final Consideration or the date such basis adjustments are required to be made under applicable law, and shall submit such allocation to the Sellers’ Representative for its review and approval. Parent shall make such revisions as are reasonably requested by Sellers’ Representative; provided, that such revisions are consistent with the methodology set forth on Schedule 2.14. Each of the Parties shall file all Tax Returns (including amended returns and claims for refund) and information reports for Tax purposes in a manner consistent with the Purchase Price Allocation. In the event there is a dispute with respect to the Purchase Price Allocation, Parent and the Sellers’ Representative shall jointly retain a Valuation Firm (which decision of the Valuation Firm shall be final and binding on all the Parties) to resolve such dispute; provided, that any decision of the Valuation Firm shall be made in a manner consistent with the Purchase Price Allocation methodology set forth in Schedule 2.14 and all applicable Tax Law requirements. The other provisions of Section 2.12(b) shall apply to this Section 2.14 *mutatis mutandis*. Any adjustments to the Aggregate Final Consideration applicable to the transfer of Company Units (other than HealthHelp Corp Units) pursuant to the Merger shall be allocated in a manner consistent with such methodology.

2.15 Distribution Waterfall. The Parties hereby agree that, except as otherwise provided herein, the Distribution Waterfall shall govern the allocation among the Unitholders (other than HealthHelp Corp) and the HealthHelp Corp Sellers of any payments to or from the Unitholders (other than HealthHelp Corp) and/or the HealthHelp Corp Sellers that are contemplated by this Agreement. The Company, Farnsworth, the Sellers’ Representative and the HealthHelp Corp Sellers hereby agree that the Distribution Waterfall has been prepared in accordance with the priorities set forth in the Company LLC Agreement, as in effect on the date hereof, as amended by this Section 2.15. The calculations and formulae contained in the Distribution Waterfall shall, among other things, provide for the allocation solely to the HealthHelp Corp Sellers (and not the Unitholders) of any increase or decrease in the Aggregate Closing Consideration and/or Aggregate Final Consideration which is attributable to (y) any Cash held in accounts in the name or for the benefit of HealthHelp Corp or (z) the HealthHelp Corp Unpaid Taxes. To the extent that the allocation of the Aggregate Closing Consideration and/or Aggregate Final Consideration in accordance with the Distribution Waterfall and this Agreement would constitute an amendment to the Company LLC Agreement, each of the Company, Farnsworth and HealthHelp Corp hereby consents to such amendment.



ARTICLE 3

REPRESENTATIONS AND WARRANTIES REGARDING THE HEALTHHELP ENTITIES

As a material inducement to Purchaser and Merger Sub to enter into this Agreement, the Company hereby represents and warrants to Purchaser and Merger Sub as follows:

3.1 Organization. Each HealthHelp Entity is duly organized as a limited liability company, validly existing and in good standing under the laws of the State of Delaware. Each HealthHelp Entity is duly qualified, licensed or admitted to do business as a foreign entity and is in good standing in every jurisdiction in which the operation of its business or the ownership of its assets requires it to be so qualified, licensed, admitted or in good standing, except to the extent the failure to be so qualified, licensed, admitted or in good standing would not have a Material Adverse Effect. Other than as disclosed on Schedule 3.1, the HealthHelp Entities have not engaged in any trade or business other than the Business or conducted business under any name (including any “trading” or “doing business as” name) other than their current or former corporate legal names. The organizational documents of each HealthHelp Entity, which have previously been furnished to Purchaser in the Data Room, reflect all amendments thereto, and are true, correct and complete in all material respects.

3.2 Power; Authorization of Transactions. Each HealthHelp Entity has all requisite limited liability company power and authority to carry on the Business as now conducted. The Company has all requisite limited liability company power and authority to execute and deliver this Agreement and the Transaction Documents to which the Company is a party and to perform its obligations hereunder and thereunder. The execution, delivery and performance by the Company of this Agreement and the Transaction Documents and each of the transactions contemplated hereby or thereby have been duly and validly authorized by the Company Board and pursuant to the Written Consent, and no other act or proceeding on the part of the Company, the Company Board or the Unitholders is necessary to authorize the execution, delivery or performance by the Company of this Agreement or the Transaction Documents or the consummation of any of the transactions contemplated hereby or thereby. This Agreement and the Transaction Documents to which the Company is a party have been or will be duly executed and delivered by the Company, and, assuming the due execution and delivery of this Agreement, and the Transaction Documents to which the Company is a party by the other parties hereto and thereto, this Agreement and the Transaction Documents, upon execution and delivery by the Company, will each constitute, a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (a) applicable insolvency, bankruptcy, reorganization, moratorium or other similar Laws affecting creditors’ rights generally, and (b) applicable equitable principles (whether considered in a proceeding at Law or in equity).



3.3 Capitalization and Subsidiaries. Schedule 3.3 accurately sets forth the authorized, issued and outstanding equity of each HealthHelp Entity and the name and number of equity interests held by each stockholder or member thereof. There are no membership interests held by the Company in treasury nor are there any membership interests outstanding but not issued. All of the issued and outstanding equity of each HealthHelp Entity has been validly issued, fully paid and non-assessable, and are owned of record and beneficially by its respective stockholder or member thereof as set forth on Schedule 3.3, free and clear of all Liens. None of the equity interests of either HealthHelp Entity were issued in violation of any applicable Law or Material Contract to which the HealthHelp Corp or any of the HealthHelp Entity is a party or by which any of them is bound or is subject to or in violation of any preemptive or similar rights of any Person. Except as set forth in this Agreement and on Schedule 3.3, there are no outstanding or authorized options, warrants, rights, voting trusts, proxies, contracts, pledges, calls, puts, rights to subscribe, conversion rights or other agreements or commitments to which any HealthHelp Entity is a party or which is binding upon any HealthHelp Entity providing for the issuance, disposition or acquisition of any of its equity or any rights or interests exercisable therefor, or which could affect the ability of HealthHelp Corp, HealthHelp Corp Sellers or any HealthHelp Entity to consummate the transactions contemplated hereby. There are no outstanding or authorized equity appreciation, phantom stock or similar rights with respect to any HealthHelp Entity. Except as set forth on Schedule 3.3, no HealthHelp Entity owns or controls (directly or indirectly) any stock, partnership interest, joint venture interest, equity participation or other security or interest in any other Person.

3.4 No Breach. Except as set forth on Schedule 3.4, the execution, delivery and performance by the Company of this Agreement and the Transaction Documents to which the Company is a party and the consummation of each of the transactions contemplated hereby or thereby do not and will not (a) conflict with or result in violation or breach of, or default under, any provision of the organizational documents of any HealthHelp Entity, (b) assuming compliance by Purchaser with Section 6.5, conflict with or result in violation or breach of any provision of any Law or require any authorization, consent, approval, exemption or notice to any Governmental Authority under the provisions of any Law (except for the filing and recordation of the Certificate of Merger as required by the DLLCA), to which any HealthHelp Entity is subject, except, in the case of clause (b), where the violation, conflict, breach, failure to give such notice, to file, or to obtain any such authorization, consent, approval or exemption would not reasonably be expected to be material to the Company, (c) violate, conflict with, result in a breach of, constitute a default under, result in the acceleration of, or create in any party the right to accelerate, terminate, modify or cancel any Material Contract or any material Permit affecting the Business, or (d) result in the creation or imposition of any Liens (other than Permitted Liens) on any properties or assets of the HealthHelp Entities.



3.5 Financial Statements.

(a) Schedule 3.5 sets forth a true, correct and complete copy of the following financial statements (the “Financial Statements”):

(i) the unaudited consolidated balance sheet of the HealthHelp Entities as of January 31, 2017 (the “Latest Balance Sheet”) and the related unaudited consolidated statements of operations, owners’ equity and cash flows for the twelve (12)-month period then ended; and

(ii) the audited consolidated balance sheet of the HealthHelp Entities as of December 31, 2015, and the related audited consolidated statements of operations, owner’s equity and cash flows for the fiscal year then ended (the “Audited Balance Sheet”).

Except as set forth on Schedule 3.5, each of the Financial Statements presents fairly in all material respects the consolidated financial condition, results of operations and cash flows of the HealthHelp Entities throughout the periods covered thereby and such Financial Statements have been prepared in accordance with GAAP consistently applied throughout the periods indicated (except that the unaudited Financial Statements are subject to normal and recurring year-end adjustments and reclassifications and lack footnote disclosure and other presentation items).

(b) The HealthHelp Entities maintain and have maintained a system of internal accounting controls and procedures sufficient to reasonably ensure in all material respects that: (i) all transactions are executed in accordance with the general or specific authorization of the management of the HealthHelp Entities; (ii) all transactions are recorded as necessary in order to permit the preparation of the Financial Statements in conformity with GAAP, (iii) use of the HealthHelp Entities’ assets is permitted only in accordance with the general or specific authorization of the HealthHelp Entities’ management; 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. None of the HealthHelp Entities, HealthHelp Corp or the HealthHelp Corp Sellers has received or otherwise obtained Knowledge of any Liability regarding the inadequacy of such systems and procedures or the inaccuracy or lack of integrity of the Financial Statements. The HealthHelp Entities do not maintain and have not maintained any off-the-books accounts.

3.6 Indebtedness/Undisclosed Liabilities.

(a) None of the HealthHelp Entities has any Indebtedness which constitutes indebtedness for borrowed money of the HealthHelp Entities and HealthHelp Corp, other than Indebtedness that is being paid pursuant to the Section 2.11(e) of this Agreement or which will otherwise be taken into account in the final determination of the Actual Aggregate Closing Consideration.

(b) None of the HealthHelp Entities has any Liabilities of the type which would be required under GAAP to be disclosed on the financial statements of the HealthHelp entities and to the Knowledge of the Company, none of the HealthHelp Entities has any other Liabilities of any kind, in each case, except (i) those which are adequately reflected or reserved against in the Latest Balance Sheet as of the date of the Latest Balance Sheet, (ii) obligations arising under the Contracts of HealthHelp Corp or any HealthHelp Entity in effect on the date hereof (other than any such obligations arising out of a breach of any such Contract), (iii) those which have been incurred in the ordinary course of business consistent with past practice since the Latest Balance Sheet date and which are not, individually or in the aggregate, material in amount, and (iv) as otherwise disclosed or described in Schedule 3.6(b). None of the HealthHelp Entities has made, or entered into commitments to make, any capital expenditures since the Latest Balance Sheet date outside the ordinary course of business consistent with the past practice.



3.7 Absence of Certain Developments. Except as set forth on Schedule 3.7, since the date of the Latest Balance Sheet, (a) there has not been any Material Adverse Effect, (b) the HealthHelp Entities have conducted their business in the ordinary course of business consistent with past practice, and (c) no HealthHelp Entity has:

- (i) sold, leased, assigned, licensed or transferred any of its material properties or assets or portion thereof, other than in the ordinary course of business consistent with past practice and other than sales of obsolete assets or assets with no book value;
- (ii) created, incurred, assumed or guaranteed any Indebtedness outside the ordinary course of business involving more than \$250,000 (other than borrowings under any Indebtedness that shall be fully repaid pursuant to Section 2.11 (e));
- (iii) amended or authorized the amendment of any of its governing and organizational documents or entered into any indemnification or similar Contracts with directors, managers, officers or employees;
- (iv) made any material change in its accounting methods or practices, except in so far as was required by a change in GAAP;
- (v) made any loan to, or any acquisition of substantially all of the assets of (including by merger or consolidation), any other Person, in each case involving a payment by such HealthHelp Entity in excess of \$250,000;
- (vi) reclassified, split, combined or subdivided, directly or indirectly, any of its equity interest;
- (vii) effected, established or adopted or entered into any plan with respect to any restructuring, reorganization, recapitalization or complete or partial liquidation;
- (viii) entered into any joint venture, partnership, limited liability company agreement or similar arrangement;
- (ix) granted or paid any material increase in the compensation of any of its directors, officers or Key Employees, other than in the ordinary course of business, as required by Law, or required pursuant to the terms of an Employee Plan or other written Contract with such director, officer or Key Employee;



- (x) had any material damage, destruction or loss to its property to the extent not covered by insurance;
- (xi) committed to make any single capital expenditure in excess of \$250,000 or aggregate capital expenditures in excess of \$250,000 which expenditures have not been satisfied in full prior to the date hereof;
- (xii) entered into a new line of business or abandoned or discontinued any existing lines of business;
- (xiii) disclosed to any Person any trade secret, process, technology, know-how or other confidential or proprietary information of the HealthHelp Entities, not heretofore a matter of public knowledge, except in the ordinary course of business consistent with past practice and in accordance with any applicable confidentiality or proprietary agreements restricting the disclosure of such trade secrets, formulas, processes, technologies, know-how or other confidential or proprietary information;
- (xiv) (A) made, changed or revoked any material Tax election, changed any method of Tax accounting, filed any amended Tax Return, surrendered any right to claim a refund of Taxes or consented to any extension or waiver of the limitation period applicable to any material Tax claim or assessment or (B) entered into any closing, settlement or other agreement with any Governmental Authority relating to material Taxes of the HealthHelp Entities;
- (xv) terminated any Key Employee or received any resignation, notice or indication from any Key Employee that such Key Employee intends to terminate his/her employment with any HealthHelp Entity; or
- (xvi) entered into any Contract to do any of the foregoing.

3.8 Real Property.

(a) No Owned Real Property. Since January 1, 2014, the HealthHelp Entities have not owned any real property.

(b) Leased Real Property. Schedule 3.8(b) sets forth the address of each Leased Real Property as of the date hereof and all applicable lease, sublease or license agreements (including all amendments) related thereto (each, a "Lease"). Except as set forth on Schedule 3.8(b), with respect to each Lease:

(i) the Leased Real Property set forth on Schedule 3.8(b) constitutes all of the real property utilized by the HealthHelp Entities and the Company has provided to Purchaser true, correct and complete copies of each such Lease;



(ii) to the Knowledge of the Company, such Lease is valid, binding and enforceable against the applicable HealthHelp Entity, except as such enforceability may be limited by (A) applicable insolvency, bankruptcy, reorganization, moratorium or other similar Laws affecting creditors' rights generally, and (B) applicable equitable principles (whether considered in a proceeding at Law or in equity);

(iii) the HealthHelp Entity party thereto has paid all rents and other charges to the extent due and payable as of the date of this Agreement under such Lease and is not in breach or default in any material respect under such Lease, and to the Knowledge of the Company, no event has occurred or circumstance exists which, with the delivery of notice, the passage of time or both, would constitute such breach or default in any material respect. None of the HealthHelp Entities are parties to any written or oral lease, assignment or similar arrangement under which any HealthHelp Entity, as a lessor, sublessor, assignor or otherwise, makes available for use by any third party any portion of the Leased Real Property; and

(iv) no portion of the Leased Real Property, or any of the buildings or improvements located thereon or the use of the Leased Real Property, is in material violation of any applicable Law.

3.9 Title to Tangible Assets. Except for properties and assets that have been sold or otherwise disposed of by the HealthHelp Entities in the ordinary course of business consistent with past practice since the date of the Latest Balance Sheet, the HealthHelp Entities have good and valid title to, or a valid leasehold interest in, all of the material tangible personal property used in the operation of the Business, including all the properties and assets reflected on the Latest Balance Sheet, subject to no Liens except Permitted Liens.

3.10 Contracts and Commitments.

(a) Schedule 3.10(a) lists all of the following Contracts to which any HealthHelp Entity is a party and which are in effect as of the date hereof (collectively, the "Material Contracts"):

(i) all Contracts, or group of related Contracts, with the top 5 clients of the HealthHelp Entities collectively (by revenue) during calendar year 2016 (collectively, the "Material Customers") indicating the aggregate amount of the revenue paid by each such Material Customer to any HealthHelp Entity during such periods;

(ii) all Contracts, or group of related Contracts, with the top 10 vendors of the HealthHelp Entities collectively (by aggregate expenditure) during calendar year 2016 (collectively, the "Material Suppliers"), indicating the aggregate amount of expense paid by the HealthHelp Entities to each such Material Supplier during such periods;

(iii) any Contract under which any HealthHelp Entity has any Indebtedness, including guaranteed Indebtedness of others, in each case having an outstanding principal amount in excess of \$250,000, but excluding intercompany indebtedness or endorsements for the purpose of collection;



(iv) any employment agreement or offer letter to which any HealthHelp Entity is a party involving aggregate payments to any Person during Calendar year 2016 in excess of \$100,000, or any Contract with independent contractors or consultants (or similar arrangements) to which any HealthHelp Entity is a party involving aggregate payments to any Person during calendar year 2016 in excess of \$250,000 or which contain severance or similar obligations on the part of any HealthHelp Entity;

(v) all broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting and advertising Contracts to which any HealthHelp Entity is a party involving aggregate payments to any Person during calendar year 2016 in excess of \$100,000;

(vi) all Contracts that limit or purport to limit the ability of any HealthHelp Entity to compete in any line of business or with any Person or in any geographic area or during any period of time or to solicit any Person's actual or prospective customers, suppliers, or vendors;

(vii) all Contracts that require any HealthHelp Entity to purchase its total requirements of any product or service from a third party or that contain "take or pay";

(viii) any Contract containing a so-called "most favored nation", "meets competition" or "most favored customer" clause;

(ix) all Contracts that provide for the indemnification by any HealthHelp Entity of any Person or the assumption of any Tax or environmental Liability of any Person outside of the ordinary course of business that, to the Knowledge of the Company, could result in payments in excess of \$250,000;

(x) any Contract pursuant to which a partnership or joint venture was established by any HealthHelp Entity;

(xi) all Contracts, entered into after January 1, 2014, that relate to the acquisition or disposition of any business, a material amount of stock or assets of any other Person or any real property (whether by merger, sale of stock, sale of assets or otherwise);

(xii) any Contract whereby any HealthHelp Entity is obligated to pay royalties or license fees to another Person (other than any license of mass-marketed or otherwise generally available software) involving aggregate payments in any calendar year in excess of \$250,000;



(xiii) all Contracts with any Governmental Authority to which any HealthHelp Entity is a party; and

(xiv) any other Contract, in each case not included in Section 3.10(a)(i)- (xiii) or otherwise set forth on Schedule 3.10(a), to which any HealthHelp Entity is a party or by or to which any of its assets are bound or subject which has future Liability to such HealthHelp Entity in excess of \$250,000 per annum and is not terminable by it upon notice of sixty (60) calendar days or less for a cost of less than \$250,000 (other than (A) warranty obligations in the ordinary course of business and (B) purchase orders).

(b) Except as disclosed on Schedule 3.10(b), each (i) Material Contract is (A) valid, binding and enforceable against the applicable HealthHelp Entity except as such enforceability may be limited by (x) applicable insolvency, bankruptcy, reorganization, moratorium or other similar Laws affecting creditors' rights generally, and (y) applicable equitable principles (whether considered in a proceeding at Law or in equity) and (B) in full force and effect and (ii) HealthHelp Entity has performed all material obligations required to be performed by it to date under the Material Contracts to which it is a party and is not (with or without the lapse of time or the giving of notice, or both) in breach or default in any material respect thereunder, or each HealthHelp Entity has obtained all necessary waivers with respect to any such non-performance, breach or default, and there does not exist, to the Knowledge of the Company, any event, condition or omission which would constitute a breach or default in any material respect, whether by lapse of time or notice or both, by any other Person under any such Material Contract. As of the date of this Agreement, the HealthHelp Entities, HealthHelp Corp, or the HealthHelp Corp Sellers have not received written notice, or to the Knowledge of the Company, oral notice, of (A) any default in any material respect by the HealthHelp Entities under any Material Contract or (B) any intention or desire of any Material Customer or Material Supplier to cancel or otherwise terminate or materially and adversely modify its relationship with any HealthHelp Entity. A true, correct and complete copy of each written Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder in writing) has been made available in the Data Room or otherwise delivered to Purchaser.

3.11 Proprietary Rights.

(a) Schedule 3.11 contains a complete and accurate list, as of the date hereof, of all (i) patented or registered Proprietary Rights and pending patent applications and other applications for registration of Proprietary Rights owned by any HealthHelp Entity (the "Registered Proprietary Rights"), (ii) licenses granted by any HealthHelp Entity to any third party with respect to any Proprietary Rights, (iii) licenses and sublicenses granted by any third party to any HealthHelp Entity with respect to any Proprietary Rights (other than any license of mass-marketed or otherwise generally available software), and (iv) all proprietary software developed by or on behalf of any HealthHelp Entity and used in the operation of the Business. To the Knowledge of the Company, all of the Registered Proprietary Rights are valid and enforceable, and are subsisting and in full force and effect.



(b) The HealthHelp Entities are the sole and exclusive legal and beneficial owners of all right, title, and interest in and to the Proprietary Rights owned by the HealthHelp Entities, and the HealthHelp Entities have the valid and enforceable right to use all other Proprietary Rights used in or necessary for the conduct of the Business as currently conducted, in each case, free and clear of all Liens (other than Permitted Liens).

(c) To the Knowledge of the Company, the HealthHelp Entities have entered into binding, valid and enforceable written Contracts with each current and former employee and independent contractor who contributed to the invention, creation or development of any Proprietary Rights during the course of employment or engagement with the HealthHelp Entities, whereby such employee or independent contractor (i) acknowledges the HealthHelp Entity's exclusive ownership of all Proprietary Rights invented, created or developed by such employee or independent contractor within the scope of his or her employment or engagement with the HealthHelp Entity; (ii) grants to the applicable HealthHelp Entity a present, irrevocable assignment of any ownership interest such employee or independent contractor may have in or to such Proprietary Rights, to the extent such Proprietary Rights do not constitute a "work made for hire" under applicable Law; and (iii) irrevocably waives any right or interest, including any moral rights, regarding any such Proprietary Rights, to the extent permitted by applicable Law.

(d) Neither the execution, delivery or performance of this Agreement and the Transaction Documents, nor the consummation of the transactions contemplated hereunder and thereunder, will result in the loss or impairment of, or payment of any additional amounts with respect to, the HealthHelp Entities' right to own or use any Proprietary Rights used in or necessary for the conduct of the Business as currently conducted.

(e) The HealthHelp Entities have taken commercially reasonable and necessary steps to maintain and enforce the Proprietary Rights and to preserve the confidentiality of all trade secrets, know-how and confidential information included therein, including by requiring all Persons having access thereto to execute binding, written non-disclosure agreements.

(f) The HealthHelp Entities take commercially reasonable actions which are consistent with industry standards to back up its computer systems and databases used or held for use in the Business in a manner sufficient to enable resumed or continued functioning in all material respects following a hardware, telecommunications or related interruption or failure.

(g) To the Knowledge of the Company, since January 1, 2014, the operation of the Business as formerly and presently conducted has not infringed or misappropriated the Proprietary Rights of any third party. To the Knowledge of the Company, no Person has infringed upon or misappropriated any of the Proprietary Rights owned by any HealthHelp Entity.



3.12 Litigation; Proceedings. Except as set forth Schedule 3.12, there are no Actions pending or, to the Knowledge of the Company, threatened and, since January 1, 2014, there have been no Actions that were resolved or settled for amounts in excess of \$250,000, against any HealthHelp Entity or any of their respective assets or the Business, at law or in equity, or before or by any Governmental Authority or arbitrator, and no event has occurred or circumstances exist that would reasonably be expected to give rise to, or serve as a basis for, any such Action, except in each case as would not reasonably be expected to be material to the Company. No HealthHelp Entity is subject to any unsatisfied judgment, penalties, injunction, order or decree of any Governmental Authority.

3.13 Compliance with Laws; Permits.

(a) Except with respect to Environmental Matters (which are the subject of Section 3.14), Labor and Employment Matters (which are the subject of Section 3.15), Employee Plans (which is the subject of Section 3.16) and Tax Matters (which are the subject of Section 3.17), to the Knowledge of the Company, each HealthHelp Entity is and, since January 1, 2014, has been in compliance with all Laws applicable to the ownership and operation of the Business, except where the failure to comply would not reasonably be expected to be material to the Company. To the Knowledge of the Company, as of the date of this Agreement, none of the HealthHelp Entities, HealthHelp Corp or HealthHelp Corp Sellers has received from any Person any written notice of any violation in any material respect by any HealthHelp Entity of any Laws.

(b) To the Knowledge of the Company, (i) all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities (“Permits”) required for any HealthHelp Entity to conduct the Business have been obtained and are valid and in full force and effect, except where the failure to obtain or maintain the validity of such Permits would not reasonably be expected to be material to the Company, and (ii) all fees and charges with respect to such Permits as of the date of this Agreement have been paid in full. Schedule 3.13(b) lists all current Permits issued to any HealthHelp Entity as of the date of this Agreement, including the names of the Permits and their respective dates of issuance and expiration. To the Knowledge of the Company, each HealthHelp Entity has complied since January 1, 2014, and is now complying, with all of the Permits disclosed in Schedule 3.13(b) and no event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or material limitation of any such Permit. As of the date of this Agreement, none of the HealthHelp Entities has, to the Knowledge of Company, received any written communication regarding any material adverse change in the status or terms and conditions of any such Permit or that, by virtue of the transactions contemplated hereby, any such Permit may not be granted or renewed.

3.14 Environmental Matters. To the Knowledge of the Company, each HealthHelp Entity is, and since January 1, 2014 was, in compliance with all Environmental Laws, except where the failure to comply would not reasonably be expected to be material to the Company. To the Knowledge of the Company, no HealthHelp Entity has, since January 1, 2014, received any written notice or Action regarding any violation of, or any material Liability or material investigatory, corrective or remedial obligation under, any Environmental Law. There are no Actions relating to the environmental matters pending against or involving any HealthHelp Entities and, to the Knowledge of the Company, there is no reasonable basis for any Action relating to the environmental matters to be made against any HealthHelp Entity or which could, after the Closing, result in any Liability to Purchaser or any of its Affiliates, except as would not reasonably be expected to be material to the Company.



3.15 Labor and Employment Matters.

(a) None of the HealthHelp Entities is a party to any collective bargaining agreement with respect to employees of the HealthHelp Entities. To the Knowledge of the Company, as of the date of this Agreement, there are no current union organizing activities among the employees of the HealthHelp Entities. There are no unfair labor practice charges or complaints pending, or to the Knowledge of the Company, threatened against any HealthHelp Entity before the National Labor Relations Board. There is currently no work stoppage, strike or other material labor dispute by or with employees of the HealthHelp Entities (or their representatives), nor, to the Knowledge of the Company, is any such dispute threatened.

(b) The Company has made available in the Data Room a true, complete and correct list of all persons who are employees, independent contractors or consultants of the HealthHelp Entities as of December 31, 2016, including any employee who is on layoff, sick time, disability, or other leave of absence. Except as set forth on Schedule 3.15(b), as of December 31, 2016, no employee or former employee of any HealthHelp Entity (or any spouse or dependent of such employee or former employee) is eligible to elect, has elected, or is receiving any group health plan coverage that is required to be provided pursuant to Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA (sometimes referred to as “COBRA”) or comparable state continuation coverage rights.

(c) Since January 1, 2014, the HealthHelp Entities have complied in all respects with all Laws relating to the labor and employment practices including all Laws relating to labor relations, collective bargaining, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, child labor, health and safety, workers’ compensation, leaves of absence and unemployment insurance, except where the failure to so comply would not reasonably be expected to be material to the Company. None of the HealthHelp Entities, HealthHelp Corp or HealthHelp Corp Sellers has received from any Person any written notice of any violation by the HealthHelp Entities of any Laws pertaining to employment or employment practices, including misclassification of workers or unpaid wages. All reports required to be filed by or on behalf of the HealthHelp Entities with any Governmental Authorities have been filed.

3.16 Employee Plans.

(a) Except as set forth on Schedule 3.16, with respect to current or former employees of the HealthHelp Entities, no HealthHelp Entity maintains, contributes to or has any obligation to contribute to, or, to the Knowledge of the Company, has any material Liability with respect to any (i) qualified defined contribution or defined benefit plans which are employee pension benefit plans (as defined in Section 3(2) of ERISA) (the “Employee Pension Plans”), (ii) employee welfare benefit plans (as defined in Section 3(1) of ERISA) (“Employee Welfare Plans”), or (iii) material plan, policy, program or arrangement which provides nonqualified deferred compensation benefits or any other material program, plan, policy or arrangement which provides any health, life, disability, accident, vacation, tuition reimbursement or other fringe benefits (“Other Plans”). No HealthHelp Entity maintains or has any obligation to contribute to any Employee Welfare Plan or Other Plan which provides employer-paid post-employment health, accident or life insurance benefits to current or former employees, current or future retirees, their spouses, dependents or beneficiaries, other than health continuation benefits under Code Section 4980B. All Employee Pension Plans, all Employee Welfare Plans and all Other Plans set forth on Schedule 3.16 shall be referred to herein collectively as the “Employee Plans.” The Data Room contains true and complete copies of all documents, as amended through the date hereof, embodying the Employee Plans and any employee handbook.



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(b) There are no pending or, to the Knowledge of the Company, threatened claims (other than routine claims for benefits and appeals of such claims) by or on behalf of any Employee Plan or any trusts which are associated with such Employee Plans.

(c) Except as set forth on Schedule 3.16, the Employee Plans have since January 1, 2014 been maintained, funded and administered in all material respects in compliance with their terms and with the applicable requirements of ERISA and the Code.

(d) Neither the HealthHelp Entities nor any ERISA Affiliate sponsors, maintains, administers or contributes to, or has since January 1, 2011 ever sponsored, maintained, administered or contributed to, or since January 1, 2011 has had or could have had any Liability to any (i) plan that is a multiemployer plan (as defined in Section 3(37) of ERISA) or (ii) plan that is subject to the minimum funding requirements of Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code.

(e) Except as set forth on Schedule 3.16(e), the consummation of the transactions contemplated herein will not, either alone or in combination with another event, (i) entitle any current or former employee, officer, director or consultant of the HealthHelp Entities to severance pay or any other similar payment, (ii) accelerate the time of payment or vesting of, or increase in any material respect the amount of, compensation or benefits due to any such individual or trigger any other material obligation pursuant to any Employee Plan, or (iii) result in any payment that would be an "excess parachute payment" to a "disqualified individual" as those terms are defined in Section 280G of the Code.

(f) Each Employee Plan that is intended to be qualified within the meaning of Section 401(a) of the Code is the subject of a favorable and current determination letter and/or opinion letter as to its qualification and as of the date of this Agreement, to the Knowledge of the Company, nothing has occurred that would reasonably be expected to cause the loss of such qualification.



3.17 Tax Matters.

(a) Except as set forth on Schedule 3.17, each HealthHelp Entity has timely filed all income and other material Tax Returns required to be filed by it, which Tax Returns are true, correct and complete in all material respects, and all Taxes due and owing by the HealthHelp Entities have been paid, whether or not shown on any Tax Return. The Company has made available to Purchaser in the Data Room copies of all income and other material Tax Returns filed with respect to the HealthHelp Entities for taxable periods ending on or after December 31, 2013, and all examination reports, and statements of deficiencies assessed against or agreed to by any HealthHelp Entity with respect to such taxable periods. No HealthHelp Entity is subject to a Lien for Taxes with respect to its assets except for Permitted Liens.

(b) Except as set forth on Schedule 3.17:

(i) no HealthHelp Entity has consented to extend the time in which any Tax may be assessed or collected by any taxing authority, which extension is in effect as of the date hereof;

(ii) no HealthHelp Entity has requested or been granted an extension of the time for filing any Tax Return to a date later than the Closing Date, other than customary automatic extensions to file any Tax Returns;

(iii) there is no Action or audit now in progress or pending against or with respect to the HealthHelp Entities with respect to any Tax, nor has any HealthHelp Entity been, since January 1, 2014, subject to any such Action or audit or received a notice of deficiency, additional assessment or pending notice of deficiency or assessment of any Tax;

(iv) no HealthHelp Entity has been a member of an Affiliated Group (other than a group of which such entity or another HealthHelp Entity is or was the parent);

(v) no HealthHelp Entity is a party to or bound by any Tax allocation or Tax sharing agreement (excluding, for this purpose, any agreement entered into in the ordinary course of business that is primarily not related to Taxes, such as leases, licenses or credit agreements);

(vi) each HealthHelp Entity has withheld and paid to the applicable taxing authority each Tax required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, customer, shareholder or other party, and complied with all information reporting and backup withholding provisions of applicable Law;

(vii) no written claim has been made by any taxing authority in any jurisdiction where a HealthHelp Entity does not file Tax Returns that it is, or may be, subject to Tax or filing requirement by that jurisdiction;



- (viii) no HealthHelp Entity is a party to, or bound by, any closing agreement or offer in compromise with any taxing authority;
- (ix) no private letter rulings, technical advice memoranda or similar agreement or rulings have been requested, entered into or issued by any taxing authority with respect to a HealthHelp Entity.
- (x) no HealthHelp Entity has Liability for Taxes of any Person under Treasury Regulations Section 1.1502-6 (or any corresponding provision of state, local or foreign Law), as transferee or successor, by contract or otherwise;
- (xi) no HealthHelp Entity has agreed to make, nor is it required to make, any adjustment under Sections 481(a) or 263A of the Code or any comparable provision of state, local or foreign Tax Laws by reason of a change in accounting method or otherwise;
- (xii) no HealthHelp Entity will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (A) “closing agreement” as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or non-U.S. law) executed on or prior to the Closing date, (B) installment sale or open transaction disposition made on or prior to the Closing Date, (C) prepaid amount or any other income eligible for deferral under the Code or Treasury Regulations promulgated thereunder received on or prior to the Closing Date or (D) election made under Section 108 (i) of the Code prior to the Closing;
- (xiii) no HealthHelp Entity is or has been a party to any “listed transaction” within the meaning of Section 6707A(c)(2) of the Code and Treasury Regulations Section 1.6011 4(b)(2); and
- (xiv) a valid election under Section 754 of the Code was in effect for the Company’s 2008 taxable year.

(c) For purposes of U.S. federal income Tax, the Company is, and has been since its formation, classified as a partnership under Treasury Regulations Section 301.7701-3 and the Operating Company is, and has been since formation, classified as a partnership or disregarded entity under Treasury Regulations Section 301.7701-3.

The representations and warranties set forth in this Section 3.17, Section 3.7(xiv), Section 3.10(a)(ix) and Section 3.16 (to the extent it relates to Taxes) shall constitute the only representations and warranties by the HealthHelp Entities with respect to Taxes, and the HealthHelp Entities make no representation or warranty regarding the amount, value or condition of, or any limitations on, any Tax asset or attribute of the HealthHelp Entities, including but not limited to net operating losses, to the extent that such Tax asset or attribute would affect the Tax liability of the Purchaser, the Surviving Company or any of their respective Affiliates for any Post-Closing Tax Period, including the ability of the Purchaser or any of its Affiliates to utilize any such tax attributes after the Closing.



3.18 Health Care Matters: HIPAA.

(a) Each HealthHelp Entity is in compliance in all material respects with the applicable privacy, security, transaction standards, breach notification and other provisions and requirements of the Health Insurance Portability and Accountability Act of 1996, Pub. L. 104-99 (“HIPAA”) and any comparable state laws. No HealthHelp Entity has received any written (or, to the Knowledge of the Company, oral) communication from any Governmental Authority that alleges that any HealthHelp Entity is not in compliance in any material respect with the applicable privacy, security, transaction standards, breach notification and other provisions and requirements of HIPAA or any comparable state laws. Each HealthHelp Entity functions as a “business associate” as that term is defined under HIPAA. As a business associate, each HealthHelp Entity has the requisite privacy and security policies, procedures and systems to comply in all material respects with the terms of its business associate agreements. As of the date of this Agreement, no HealthHelp Entity is in breach in any material respect of any business associate agreement.

(b) Except as set forth on Schedule 3.18, as of January 1, 2014, no HealthHelp Entity has received any written (or, to the Knowledge of the Company, oral) complaints, or notices of inquiry or investigation, from any Person, patient, client or customer regarding its or any of its agents, employees or contractors’ uses or disclosures of, or security practices regarding, individually identifiable health information or other medical or personal information.

(c) Each HealthHelp Entity has policies, procedures and systems in place to ensure the privacy and security of all business, proprietary, individually identifiable, personal, medical and any other private information, in compliance in all material respects with federal and state law. In addition, each HealthHelp Entity has adequate policies, procedures and systems in place to prevent improper use or disclosure of, or access to, all business, proprietary, individually identifiable, personal, medical and any other private information, in each case that are customary for the companies in the industry in which the HealthHelp Entities operate. Since January 1, 2011, no breach has occurred with respect to any unsecured protected health information maintained by or for any HealthHelp Entity that is subject to the notification requirements of 45 C.F.R. §§ 164.406 or 164.408(b), and no information security or privacy breach event has occurred that would require notification under any comparable state laws.

3.19 Related Party Transactions. Except as otherwise disclosed on Schedule 3.19, none of the HealthHelp Entities is now, and has not since January 1, 2015 been, a party to or bound by any Contract to which a Related Party is a party, and no property or asset of the HealthHelp Entities has been purchased or otherwise acquired from any Related Party in anticipation of the transactions contemplated hereby.



3.20 Bank Accounts. Schedule 3.20 sets forth a complete and accurate list of all bank accounts, trust accounts, suspense or similar accounts and safe deposit boxes of the HealthHelp Entities, the name and address of each bank or financial institution in which any HealthHelp Entity has any such account or safe deposit box, the number of any such account or safe deposit box and the names of the Persons authorized to draw on or have access to each such account or safe deposit box.

3.21 Information Security and Data Privacy.

(a) Each HealthHelp Entity has taken commercially reasonable steps to safeguard the information technology systems utilized in its operation, including the implementation of procedures to ensure that such information technology systems are free from any disabling codes or instructions, timer, copy protection device, clock, counter or other limiting design or routing and any “back door,” “time bomb,” “trojan horse,” “worm,” “drop dead devices,” “virus,” or other software routines or hardware components that in each case permit unauthorized access or the unauthorized disablement or unauthorized erasure of data or other software by a third party, and to date, to the Knowledge of the Company, there have been no successful unauthorized intrusions or breaches of the security of the information technology systems. Each HealthHelp Entity has dedicated the technical, administrative, budgetary and human resources reasonably necessary for maintenance of safe information security practices and to ensure compliance with all Laws related to data security. The HealthHelp Entities have appropriate safeguards in place to oversee any vendors helping to safeguard the information technology systems utilized in the operation of the Business.

(b) The HealthHelp Entities previously complied with, and are presently in compliance with, in all material respects, all applicable Laws and its internal policies applicable to data privacy, data security or personal information. To the Knowledge of the Company, none of the HealthHelp Entities has experienced any incident in which personal information or other sensitive data was or may have been stolen or improperly accessed, and none of the HealthHelp Entities is aware of any facts suggesting the likelihood of the foregoing, including without limitation, any breach of security or receipt of any notices or complaints from any Person regarding personal information or other data. Since January 1, 2014, no notice, Action or assertion has been received by any HealthHelp Entity, HealthHelp Corp or HealthHelp Corp Sellers or has been filed, commenced or, to the Knowledge of the Company, threatened any HealthHelp Entity alleging any violation of any Laws relating to data security.

3.22 Accounts Receivable. The accounts receivable reflected on the Latest Balance Sheet and the accounts receivable arising after the date thereof (a) have arisen from bona fide transactions entered into by any HealthHelp Entity involving the rendering of services in the ordinary course of business consistent with past practice; and (b) constitute only valid claims of the HealthHelp Entities not subject to claims of set-off or other defenses or counterclaims other than normal cash discounts accrued in the ordinary course of business consistent with past practice. The reserve for bad debts shown on the Latest Balance Sheet or, with respect to accounts receivable arising after the Latest Balance Sheet date, on the accounting records of any HealthHelp Entity have been determined in accordance with GAAP, subject to normal year-end adjustments and the absence of disclosures normally made in footnotes.



3.23 Insurance. Schedule 3.23 sets forth a true and complete list of all current policies or binders of fire, liability, product liability, umbrella liability, real and personal property, workers' compensation, vehicular, directors' and officers' liability, fiduciary liability and other casualty and property insurance maintained by the HealthHelp Corp or their Affiliates (including the HealthHelp Entities) and relating to the assets, the Business, operations, employees, officers, members and managers of the HealthHelp Entities (collectively, the "Insurance Policies") and true, correct and complete copies of such Insurance Policies have been made available to Purchaser in the Data Room. Such Insurance Policies are in full force and effect. As of the date of this Agreement, neither the HealthHelp Corp Sellers, HealthHelp Corp nor the HealthHelp Entities have received any notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Insurance Policies. All premiums due on such Insurance Policies have been paid in accordance with the payment terms of each Insurance Policy. The Insurance Policies do not provide for any retroactive premium adjustment or other experience-based liability on the part of the HealthHelp Entities. All such Insurance Policies (a) are valid and binding in accordance with their terms and (b) have not been subject to any lapse in coverage. There are no claims related to the Business pending under any such Insurance Policies as to which coverage has been denied or disputed or in respect of which there is an outstanding reservation of rights.

3.24 Brokerage. Except as set forth on Schedule 3.24, none of the HealthHelp Entities has any Liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE HEALTHHELP CORP SELLERS

As a material inducement to Purchaser and Merger Sub to enter into this Agreement and purchase the HealthHelp Corp Stock, each HealthHelp Corp Seller represents and warrants to Purchaser and Merger Sub, severally and not jointly, as follows:

4.1 Organization. Such HealthHelp Corp Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

4.2 Authorization of Transactions. Such HealthHelp Corp Seller has full legal capacity, corporate power and authority to execute and deliver this Agreement and the Transaction Documents to which such HealthHelp Corp Seller is a party, and to perform its obligations hereunder and thereunder. The execution, delivery and performance by such HealthHelp Corp Seller of this Agreement and the Transaction Documents and each of the transactions contemplated hereby or thereby have been duly and validly authorized by the applicable board of such HealthHelp Corp Seller, and no other act or proceeding on the part of such HealthHelp Corp Seller, the applicable board of such HealthHelp Corp Seller is necessary to authorize the execution, delivery or performance by such HealthHelp Corp Seller of this Agreement or the Transaction Documents or the consummation of any of the transactions contemplated hereby or thereby. This Agreement and the Transaction Documents to which such HealthHelp Corp Seller is a party have been or will be duly executed and delivered by such HealthHelp Corp Seller, and, assuming the due execution and delivery of this Agreement and the Transaction Documents to which such HealthHelp Corp Seller is a party by the other parties hereto and thereto, this Agreement and the Transaction Documents, upon execution and delivery by such HealthHelp Corp Seller, will each constitute a valid and binding obligation of such HealthHelp Corp Seller, enforceable against such HealthHelp Corp Seller in accordance with its terms, except as such enforceability may be limited by (a) applicable insolvency, bankruptcy, reorganization, moratorium or other similar Laws affecting creditors' rights generally, and (b) applicable equitable principles (whether considered in a proceeding at Law or in equity).



4.3 No Breach. Except as set forth on Schedule 4.3, the execution, delivery and performance by such HealthHelp Corp Seller of this Agreement and the Transaction Documents to which such HealthHelp Corp Seller is a party and the consummation of each of the transactions contemplated hereby or thereby will not (a) conflict with or result in violation or breach of, or default under, any provision of the organizational documents of such HealthHelp Corp Seller, (b) assuming compliance by Purchaser with Section 6.5, conflict with or result in violation or breach of any provision of any Law or require any authorization, consent, approval, exemption or notice to any Governmental Authority under the provisions of any Law (except for the filing and recordation of the Certificate of Merger as required by the DLLCA), to which such HealthHelp Corp Seller is subject, except, in the case of clause (b), where the violation, conflict, breach, failure to give such notice, to file, or to obtain any such authorization, consent, approval or exemption would not reasonably be expected to materially and adversely affect such HealthHelp Corp Seller's ability to consummate the transaction contemplated hereby, or (c) violate, conflict with, result in a breach of, constitute a default under, result in the acceleration of, or create in any party the right to accelerate, terminate, modify or cancel any material Contract to which such HealthHelp Corp Seller is a party or by which its assets are bound.

4.4 Litigation. There are no Actions pending, or to such HealthHelp Corp Seller's Knowledge, threatened, and since January 1, 2014, there have been no Actions against or affecting such HealthHelp Corp Seller, at law or in equity, or before or by any Governmental Authority, which would have a material adverse effect on such HealthHelp Corp Seller's ability to consummate the transactions contemplated hereby.

4.5 Brokerage. Such HealthHelp Corp Seller does not have any Liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement.

4.6 Ownership. Such HealthHelp Corp Seller holds of record and owns beneficially all of the HealthHelp Corp Stock set forth next to such HealthHelp Corp Seller's name on Schedule 5.6, free and clear of any Liens and any other restrictions on transfer (other than such Liens and/or restrictions that shall be released, waived or otherwise terminated in connection with the Closing and other than any restrictions under the Securities Act and state securities Laws). Such HealthHelp Corp Seller is not a party to any purchase option, call option, put option, subscription right, preemptive right or similar right providing for the disposition or acquisition of the HealthHelp Corp Stock held by such HealthHelp Corp Seller. Such HealthHelp Corp Seller is not a party to any voting trust, proxy or other agreement or understanding with respect to the voting of any of the HealthHelp Corp Stock held by such HealthHelp Corp Seller.



ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF HEALTHHELP CORP

As a material inducement to Purchaser and Merger Sub to enter into this Agreement and purchase the HealthHelp Corp Stock, HealthHelp Corp represents and warrants to Purchaser and Merger Sub as follows:

5.1 Organization. HealthHelp Corp is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware.

5.2 Authorization of Transactions. HealthHelp Corp has all requisite corporate power and authority to execute and deliver this Agreement and the Transaction Documents to which HealthHelp Corp is a party and to perform its obligations hereunder and thereunder. The execution, delivery and performance by HealthHelp Corp of this Agreement and the Transaction Documents and each of the transactions contemplated hereby or thereby have been duly and validly authorized by the board of directors of HealthHelp Corp, and no other act or proceeding on the part of HealthHelp Corp or the board of directors of HealthHelp Corp is necessary to authorize the execution, delivery or performance by HealthHelp Corp of this Agreement and the Transaction Documents or the consummation of any of the transactions contemplated hereby or thereby. This Agreement and the Transaction Documents to which HealthHelp Corp is a party have been or will be duly executed and delivered by HealthHelp Corp and, assuming the due execution and delivery of this Agreement and the Transaction Documents to which HealthHelp Corp is a party by the other parties hereto and thereto, this Agreement and the Transaction Documents, upon execution and delivery by HealthHelp Corp, will each constitute, a valid and binding obligation of HealthHelp Corp, enforceable against HealthHelp Corp in accordance with its terms, except as such enforceability may be limited by (a) applicable insolvency, bankruptcy, reorganization, moratorium or other similar Laws affecting creditors' rights generally, and (b) applicable equitable principles (whether considered in a proceeding at Law or in equity).

5.3 No Breach. Except as set forth on Schedule 5.3, the execution, delivery and performance by HealthHelp Corp of this Agreement and the Transaction Documents to which HealthHelp Corp is a party and the consummation of each of the transactions contemplated hereby or thereby will not (a) conflict with or result in violation or breach of, or default under, any provision of the organizational documents of HealthHelp Corp, (b) assuming compliance by Purchaser with Section 6.5, conflict with or result in violation or breach of any provision of any Law or require any authorization, consent, approval, exemption or notice to any Governmental Authority under the provisions of any Law (except for the filing and recordation of the Certificate of Merger as required by the DLLCA) to which HealthHelp Corp is subject, except, in the case of clause (b), where the violation, conflict, breach, failure to give such notice, to file, or to obtain any such authorization, consent, approval or exemption would not reasonably be expected to be material to HealthHelp Corp, or (c) violate, conflict with, result in a breach of, constitute a default under or result in the acceleration of any material Contract to which HealthHelp Corp is a party or by which its assets are bound.



5.4 Litigation. There are no Actions pending, or to the Knowledge of HealthHelp Corp, threatened, and, since January 1, 2014, there have been no Actions that were resolved or settled for amounts in excess of \$250,000, against HealthHelp Corp, at law or in equity, or before or by any Governmental Authority, which would reasonably be expected to be material to HealthHelp Corp.

5.5 Brokerage. HealthHelp Corp does not have any Liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement.

5.6 Capitalization: Prior Activities.

(a) Schedule 5.6 accurately sets forth the authorized, issued and outstanding capital stock of HealthHelp Corp and the name and number of shares of HealthHelp Corp Stock held by each HealthHelp Corp Seller. All of the issued and outstanding shares of HealthHelp Corp Stock have been validly issued and are fully paid and are nonassessable. Except as set forth in this Agreement and on Schedule 5.6, there are no outstanding or authorized options, warrants, rights, contracts, pledges, calls, puts, rights to subscribe, conversion rights or other agreements or commitments to which HealthHelp Corp is a party or which is binding upon HealthHelp Corp providing for the issuance, disposition or acquisition of any of its equity or any rights or interests exercisable therefor. There are no outstanding or authorized equity appreciation, phantom stock or similar rights with respect to HealthHelp Corp.

(b) Except for the HealthHelp Corp Units, HealthHelp Corp (i) does not have any equity interest, direct or indirect, in any Person and (ii) does not have any other assets or Liabilities. HealthHelp Corp was formed for the sole purpose of, and HealthHelp Corp has conducted no material activity other than, holding Company Units and activities ancillary thereto.

5.7 Tax Matters.

(a) Except as set forth on Schedule 5.7, HealthHelp Corp has timely filed all income and other material Tax Returns required to be filed by it, and all material Taxes due and owing have been paid, whether or not shown on any Tax Return. HealthHelp Corp has made available to Purchaser in the Data Room copies of all income and other material Tax Returns filed with respect to HealthHelp Corp for taxable periods ending on or after December 31, 2013, and all examination reports, and statements of deficiencies assessed against or agreed to by HealthHelp Corp with respect to such taxable periods.



(b) Except as set forth on Schedule 5.7:

(i) HealthHelp Corp has not consented to extend the time in which any Tax may be assessed or collected by any taxing authority, which extension is in effect as of the date hereof;

(ii) HealthHelp Corp has not requested or been granted an extension of the time for filing any Tax Return to a date later than the Closing Date, other than customary automatic extensions to file any Tax Returns;

(iii) there is no Action or audit now in progress or pending against or with respect to HealthHelp Corp with respect to any Tax;

(iv) HealthHelp Corp has not been a member of an Affiliated Group (other than a group of which such entity is or was the parent);

(v) HealthHelp Corp is not a party to or bound by any Tax allocation or Tax sharing agreement (excluding, for this purpose, any agreement entered into in the ordinary course of business that is primarily not related to Taxes, such as leases, licenses or credit agreements);

(vi) HealthHelp Corp has withheld and paid to the applicable taxing authority each Tax required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, customer, shareholder or other party, and complied with all information reporting and backup withholding provisions of applicable Law;

(vii) no written claim has been made by any taxing authority in any jurisdiction where HealthHelp Corp does not file Tax Returns that it is, or may be, subject to Tax by that jurisdiction;

(viii) HealthHelp Corp is not a party to, or bound by, any closing agreement or offer in compromise with any taxing authority;

(ix) no private letter rulings, technical advice memoranda or similar agreement or rulings have been requested, entered into or issued by any taxing authority with respect to HealthHelp Corp.

(x) HealthHelp Corp has no Liability for Taxes of any Person under Treasury Regulations Section 1.1502-6 (or any corresponding provision of state, local or foreign Law), as transferee or successor, by contract or otherwise;

(xi) HealthHelp Corp has not agreed to make, nor is it required to make, any adjustment under Sections 481(a) or 263A of the Code or any comparable provision of state, local or foreign Tax Laws by reason of a change in accounting method or otherwise;



(xii) HealthHelp Corp will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (A) “closing agreement) as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or non-U.S. Law) executed on or prior to the Closing Date, (B) installment sale or open transaction disposition made on or prior to the Closing Date, (C) prepaid amount or any other income eligible for deferral under the Code or Treasury Regulations promulgated thereunder received on or prior to the Closing Date or (D) election mated under Section 108(i) of the Code prior to the Closing; and

(xiii) HealthHelp Corp has not been a party to any “listed transaction” within the meaning of Section 6707A(c)(2) of the Code and Treasury Regulations Section 1.6011-4(b)(2).

The representations and warranties set forth in this Section 5.7 shall constitute the only representations and warranties by HealthHelp Corp with respect to Taxes, and HealthHelp Corp makes no representation or warranty regarding the amount, value or condition of, or any limitations on, any Tax asset or attribute of HealthHelp Corp, including but not limited to net operating losses, to the extent that such Tax asset or attribute would affect the Tax liability of Purchaser, HealthHelp Corp or any of their respective Affiliates for any Post-Closing Tax Period, including the ability of the Purchaser or any of its Affiliates to utilize any such tax attributes after the Closing.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF THE STOCK PURCHASER, PARENT AND MERGER SUB

As an inducement to HealthHelp Corp, the HealthHelp Corp Sellers and the Company to enter into this Agreement, the Stock Purchaser, Parent and Merger Sub represent and warrant to each such Person as follows:

6.1 Organization; Ownership of Merger Sub; No Prior Activities. Each of the Stock Purchaser, Parent and Merger Sub is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Parent owns 100% of the issued and outstanding limited liability company interests of Merger Sub. Merger Sub was formed for the sole purpose of, and Merger Sub has conducted no activity other than, engaging in the transactions contemplated by this Agreement. Except for obligations or liabilities incurred in connection with its formation and the transactions contemplated by this Agreement, Merger Sub has not and will not have incurred, directly or indirectly, through any Subsidiary or Affiliate, any obligations or liabilities or engaged in any business activities of any type or kind whatsoever or entered into any agreements or arrangements with any Person.



6.2 Authorization of Transactions. The Stock Purchaser, Parent and Merger Sub have all requisite organizational power and authority to execute and deliver this Agreement and the Transaction Documents and to perform their respective obligations hereunder and thereunder. The execution, delivery and performance by the Stock Purchaser, Parent and Merger Sub of this Agreement and the Transaction Documents and the transactions contemplated hereby and thereby have been duly and validly authorized by such Person's governing body and no other act or proceeding on the part of the Stock Purchaser, Parent or Merger Sub, or their respective governing bodies, stockholders or members, as applicable, is necessary to authorize the execution, delivery or performance of this Agreement or the Transaction Documents or the consummation of the transactions contemplated hereby or thereby. This Agreement and the Transaction Documents have been or will be duly executed and delivered by the Stock Purchaser, Parent and Merger Sub and, assuming the due execution and delivery of this Agreement and the Transaction Documents by the other parties hereto and thereto, this Agreement and the Transaction Documents, upon execution and delivery by the Stock Purchaser, Parent and Merger Sub, will each constitute, a valid and binding obligation of the Stock Purchaser, Parent and Merger Sub, enforceable in accordance with its terms, except as such enforceability may be limited by (a) applicable insolvency, bankruptcy, reorganization, moratorium or other similar Laws affecting creditors' rights generally, and (b) applicable equitable principles (whether considered in a proceeding at Law or in equity).

6.3 No Breach. Except as set forth on Schedule 6.3, the execution, delivery and performance by the Stock Purchaser, Parent and Merger Sub of this Agreement and the Transaction Documents and the consummation of each of the transactions contemplated hereby or thereby will not (a) violate any provision of the organizational documents of the Stock Purchaser, Parent or Merger Sub, (b) violate any Law or require any authorization, consent, approval, exemption or notice to any Governmental Authority under the provisions of any Law (except for the filing and recordation of the Certificate of Merger as required by the DLLCA) to which the Stock Purchaser, Parent or Merger Sub is subject, or (c) violate, conflict with, result in a breach of, constitute a default under or result in the acceleration of any contract to which the Stock Purchaser, Parent or Merger Sub is a party or by which such Person's assets are bound, except in each case, where the violation, conflict, breach, default, failure to give notice, to file or to obtain any such authorization, consent, approval or exemption would not reasonably be expected to materially and adversely affect the Stock Purchaser's, Parent's or Merger Sub's ability to consummate the transactions contemplated hereby.

6.4 Litigation. There are no Actions pending or, to the knowledge of each Purchaser, threatened against the Stock Purchaser, Parent or Merger Sub, at law or in equity, or before or by any Governmental Authority, which would have a material adverse effect on such Stock Purchaser's, Parent's or Merger Sub's ability to consummate the transactions contemplated hereby.



6.5 Investment Intent: Restricted Securities. Purchaser is acquiring the HealthHelp Corp Stock and the Company Units solely for Purchaser’s own account, for investment purposes only, and not with a view of distribution thereof. The Stock Purchaser and Parent understand and acknowledge that (i) neither the HealthHelp Corp Stock nor the Company Units have not been registered or qualified under the Securities Act, or under any securities Laws of any state of the United States or any other jurisdiction, and have been issued in reliance upon specific exemptions thereunder, (ii) the HealthHelp Corp Stock and the Company Units constitute “restricted securities” as defined in Rule 144 under the Securities Act, (iii) none of the Company Units or the HealthHelp Corp Stock is traded or tradable on any securities exchange or over-the-counter and (iv) none of the Company Units or HealthHelp Corp Stock may be sold, transferred or otherwise disposed of unless a registration statement under the Securities Act with respect to such HealthHelp Corp Stock or Company Units, as applicable, and qualification in accordance with any applicable state securities Laws becomes effective or unless such registration and qualification is inapplicable, or an exemption therefrom is available. Each of the Stock Purchaser and Parent is an “accredited investor” as defined in Rule 501(a) of the Securities Act.

6.6 Brokerage. Except as set forth on Schedule 6.6, none of the Stock Purchaser, Parent or Merger Sub has any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement.

6.7 Financing. Purchaser has sufficient unrestricted cash on hand and available credit facilities to pay all amounts required to be paid by the Stock Purchaser or Parent at the Closing pursuant to the terms of this Agreement, and to pay all of the related fees and expenses of the Stock Purchaser, Parent and Merger Sub.

6.8 No Other Representations. Each of the Stock Purchaser, Parent and Merger Sub acknowledges that except for the specific representations and warranties made by the Company, the HealthHelp Corp Sellers and HealthHelp Corp in Article 3, Article 4, and Article 5 of the Agreement, and the representations and warranties contained in the other Transaction Documents, they are not relying upon and will not rely upon any representation or warranty of any HealthHelp Entity, HealthHelp Corp or any HealthHelp Corp Seller or any Affiliate thereof or any managers, directors, partners, officers, employees, direct or indirect equityholders, agents or other representatives, or any of them, nor upon the accuracy of any records, estimates, budgets, projects or other predictions, any data, any financial information or any memoranda or offering materials or presentations, including any offering memorandum or similar materials, made available or given to Parent, the Stock Purchaser or Merger Sub in the performance of such investigation.

ARTICLE 7

INTENTIONALLY OMITTED

ARTICLE 8

ADDITIONAL AGREEMENTS

8.1 Further Assurances. In case at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the Parties shall take such further action (including the execution and delivery of such further instruments and documents) as any other Party reasonably may request, in each case to the extent the taking of any such action is commercially reasonable in the circumstance.



8.2 Press Releases; Confidentiality. The Parties agree that no press release or other public announcement (including in any trade journal or other publication) of the transactions contemplated hereby shall be made without the prior written consent of the Stock Purchaser, Parent and the Sellers' Representative; provided, that foregoing shall not prohibit (a) disclosure required by any applicable Law, (b) any disclosure made in connection with the enforcement of any right or remedy relating to this Agreement or the transactions contemplated hereby, or (c) any disclosure by any HealthHelp Corp Seller or their Affiliates of the terms of the transactions contemplated hereby on a confidential basis as part of such Person's ordinary course reporting or review procedure or in connection with such Persons' ordinary course fundraising, marketing, information or reporting activities.

8.3 Transaction Expenses. Except as expressly provided herein, each Party shall be solely responsible for payment of any fees and expenses incurred by or on behalf of it or its Affiliates in connection with the transactions contemplated hereby or otherwise required by applicable Law; provided, that all fees, costs and expenses of the Escrow Agent shall be borne in equal amounts by the Stock Purchaser or Parent, on the one hand, and Seller Indemnifying Parties, on the other hand. For the avoidance of doubt, the costs of procuring R&W Insurance Policy (including, but not limited to, costs incurred in respect of premium payments, diligence and other fees, expenses and Taxes related thereto) will be at the sole cost and expense of either the Stock Purchaser or Parent and none of the Company, the Unitholders or the HealthHelp Corp Sellers will have any liability with respect to such costs.

8.4 Directors' and Officers' Indemnification.

(a) From and after the Closing, Purchaser shall not, and shall cause each of its Subsidiaries and Affiliates (including HealthHelp Corp and the HealthHelp Entities) not to, amend, repeal or otherwise modify the indemnification provisions of any such Person's certificate of incorporation, bylaws or other similar governing documents as in effect immediately prior to the Closing in any manner that would adversely affect the rights thereunder of individuals who, on or prior to the Closing, were directors, officers, managers, employees or holders of equity interests of such Person.

(b) At the Closing, the Company and the Sellers' Representative shall obtain, maintain and fully pay for irrevocable "tail" insurance policies (the "D&O Tail Policies") naming all Persons who were directors, managers or officers of HealthHelp Corp and/or the HealthHelp Entities (each, a "D&O Indemnified Person") on or prior to the Closing as direct beneficiaries with a claims period of at least six (6) years, and such D&O Tail Policies have been provided to Purchaser prior to the date hereof. Purchaser has not, and HealthHelp Corp and the HealthHelp Entities have not, cancelled or changed such insurance policies in any respect.

(c) In the event the Stock Purchaser, Parent, HealthHelp Corp, any HealthHelp Entity or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger, or (ii) transfers all or substantially all of its properties and assets to any Person, then and in either such case, the Stock Purchaser or Parent shall make proper provision so that the successors and assigns of the Stock Purchaser, Parent, HealthHelp Corp or the applicable HealthHelp Entities, as the case may be, shall assume the obligations set forth in this Section 8.4.



(d) The provisions of this Section 8.4 shall survive for a period of six (6) years from the Closing Date; provided, that in the event any claim or claims are asserted or made within such survival period, all such rights to indemnification in respect of any claim or claims shall continue until final disposition of such claim or claims.

(e) The provisions of this Section 8.4 are intended to be for the benefit of, and shall be enforceable by, each D&O Indemnified Person, his or her heirs, executors or administrators. The Parties agree that each D&O Indemnified Person (including his or her heirs, executors or administrators or other similar representatives) is intended to be, and shall be, a third party beneficiary of this Agreement for the purpose of this Section 8.4.

8.5 Post-Closing Record Retention and Access. From and for a period of six (6) years following the Closing Date, Purchaser shall provide, at the Sellers' Representative's expense, the Sellers' Representative and its authorized representatives with reasonable access, during normal business hours, to any books and records and other materials in the possession of HealthHelp Corp, the HealthHelp Entities or any of their Affiliates relating to periods prior to the Closing Date solely in connection with and to the extent necessary for purposes of (a) the preparation of Tax Returns, amended Tax Returns or claims for refund, (b) the preparation of financial statements including for periods ending on or prior to the Closing Date, (c) the management and handling of any Action, whether or not such Action is a matter with respect to which indemnification may be sought hereunder, and (d) compliance with the rules and regulations of the Internal Revenue Service, the Securities and Exchange Commission or any other Governmental Authority or applicable Law; provided, that in each case, such access shall be in a manner that does not interfere with the normal business operations of Purchaser, HealthHelp Corp or the HealthHelp Entities. Unless otherwise consented to in writing by the Sellers' Representative, Purchaser shall not, and shall cause each of HealthHelp Corp and the HealthHelp Entities not to, for a period of six (6) years following the Closing Date, destroy, alter or otherwise dispose of any books and records and other materials of HealthHelp Corp or the HealthHelp Entities, or any portions thereof, relating to periods prior to the Closing Date without first offering to surrender to the Sellers' Representative such books and records and materials or such portions thereof.



8.6 Release. The HealthHelp Corp Sellers, for themselves and on behalf of their Related Parties, hereby unconditionally remise, release and forever discharge HealthHelp Corp, the HealthHelp Entities and each of their respective individual, joint or mutual, past, present and future officers, directors, managers, employees, agents, attorneys, Affiliates, partners, members, stockholders, controlling persons, parent corporations, subsidiaries, successors and assigns (individually, a “Releasee” and collectively, “Releasees”) from any and all manner of Actions, causes of action, suits, claims, counterclaims, demands, proceedings, orders, obligations, Contracts, promises, covenants, defenses and Liabilities whatsoever arising in their capacity as an owner, member, manager or officer of HealthHelp Corp or either of the HealthHelp Entities (including those arising out of the HealthHelp Corp’s investment in, or the operations of, the HealthHelp Entities), whether known or unknown, suspected or unsuspected, both at law and in equity, which the HealthHelp Corp Sellers or any of their Related Parties now has, have ever had or may hereafter have against the respective Releasees arising contemporaneously with or prior to the Closing Date or on account of or arising out of any matter, cause or event occurring contemporaneously with or prior to the Closing Date, including any claims for contribution against the Company with respect to indemnifiable breaches of this Agreement by the HealthHelp Corp Sellers pursuant to Article 11, but not including claims arising with respect to any breaches of this Agreement or any other agreement entered into in connection herewith by the Stock Purchaser or Parent; provided, that nothing contained herein shall operate to release any rights of any Releasee arising under or in connection with (a) this Agreement or the other Transaction Documents, (b) any rights to indemnification and/or advancement of expenses under (1) the organizational documents of HealthHelp Corp or any HealthHelp Entity, (2) the indemnification Contracts listed on Schedule 3.10(a) (ix), or (3) the D&O Tail Policies or (c) in the case of any Releasee who is an employee or other service provider of HealthHelp Corp or any HealthHelp Entity: (i) any rights with respect to current pay period salaries, accrued vacation and accrued bonuses earned prior to the Closing Date in the ordinary course of business and the reimbursement of reasonable business related expenses incurred prior to the Closing Date, in accordance with the expense reimbursement policy of the HealthHelp Entities; or (ii) any rights under any retirement or health and welfare benefit plan of the HealthHelp Entities. The HealthHelp Corp Sellers hereby expressly waive any provision of Law that provides an exception to a general release for claims that the creditor does not know or suspect to exist in their or its favor at the time of executing the release, which if known by them might have materially affected their settlement with the debtor.

8.7 HealthHelp Name. No HealthHelp Corp Seller nor their Affiliates shall adopt or assume the names “HealthHelp Inc.”, “HealthHelp” or any other name, variation, combination or derivative reasonably likely to cause confusion therewith.

8.8 Sellers Non-Competition and Non-Solicitation.

(a) In consideration of payments received by each HealthHelp Corp Seller in connection with the transactions contemplated by this Agreement, during the Restricted Period, except pursuant to a written agreement with either Purchaser, no HealthHelp Corp Seller shall (and each such HealthHelp Corp Seller shall cause its controlled Affiliates in whom such HealthHelp Corp Seller has an equity interest, but specifically excluding the limited partners of any such HealthHelp Corp Seller, not to), directly or indirectly, (i) employ, engage, recruit, (ii) solicit for employment or engagement or (iii) take any other action that is intended to induce or knowingly encourage, or has the direct and intended effect of inducing or encouraging, Farnsworth, any Key Employee, or any Person employed as a Vice President or director of the HealthHelp Entities as of the Effective Time (which, for the avoidance of doubt, shall exclude any individuals who are employed by Affiliates of the Sellers’ Representative), to terminate his or her employment with the Stock Purchaser, Parent or the HealthHelp Entities; provided, that this Section 8.8(a) shall not restrict or prevent general solicitations of employment not targeted at such individuals.



(b) In consideration of payments received by Farnsworth in connection with the transactions contemplated by this Agreement and Farnsworth's continued employment with the Operating Company, during the Farnsworth Restricted Period, except pursuant to a written agreement with either Purchaser, Farnsworth shall not (and shall cause her Affiliates not to), directly or indirectly:

(i) (A) engage in, manage, operate, join, control or participate in, whether as an employee, agent, consultant, advisor, independent contractor, sole proprietor, principal, partner, member, stockholder, officer, director or otherwise, a Restricted Business, (B) beneficially own any equity or profits interest in any Restricted Business, (C) aid or knowingly assist anyone else in the conduct of any business or organization that, directly or indirectly, engages in a Restricted Business, or (D) request or advise any past or present customer or distributor of or supplier or vendor to the HealthHelp Entities to withdraw, curtail, cancel or not undertake a contractual or business relationship with the HealthHelp Entities, the Stock Purchaser, Parent or its Affiliates; provided, that nothing herein shall preclude Farnsworth from (y) investing in and holding a passive equity interest of less than five percent (5%) of a publicly-traded entity that is engaged in a trade or business substantially similar to or competitive with the Restricted Business or (z) serving on the board of directors (or similar governing body) of, or in an advisory capacity to, any of Cianna Health and/or Vital Decisions;

(ii) solicit the business of any customer of the HealthHelp Entities in a manner that would interfere with the relationship between Purchaser and the HealthHelp Entities, on the one hand, and any such Person, on the other hand (including making any negative or disparaging statements or communications about Purchaser, HealthHelp Corp or the HealthHelp Entities); or

(iii) (A) employ, engage, recruit, (B) solicit for employment or engagement, or (C) take any other action that is intended to induce or knowingly encourage, or has the direct and intended effect of inducing or encouraging, any Person to terminate his or her employment with Purchaser or the HealthHelp Entities; provided, that this Section 8.8 (b)(iii) shall not restrict or prevent general solicitations of employment not targeted at such individuals.

(c) The Parties acknowledge the necessity of the protections against competition and solicitation by each of the HealthHelp Corp Sellers and Farnsworth, as applicable, that are contained in this Section 8.8 to protect the legitimate business interests of Purchaser, HealthHelp Corp and the HealthHelp Entities and acknowledge that the nature and scope of such protection has been carefully considered by the Parties. The HealthHelp Corp Sellers and Farnsworth further acknowledge and agree that the provisions and restrictions of the covenants set forth in this Section 8.8 form part of the consideration under this Agreement and are among the inducements for Purchaser entering into and consummating the transactions contemplated hereby for the benefit of the HealthHelp Corp Sellers and Farnsworth. Each of the HealthHelp Corp Sellers and Farnsworth further acknowledges that the restrictions contained in this Agreement are fair, reasonable and necessary to protect the legitimate interests of Purchaser and the HealthHelp Entities and that Purchaser would not have entered into this Agreement in the absence of such restrictions.



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(d) In the event of a breach of the covenants contained in this Section 8.8, each of the HealthHelp Corp Sellers and Farnsworth recognize that monetary damages would be inadequate to compensate Purchaser and Purchaser shall be entitled to an injunction restraining such breach, without the requirement to post any bond or surety with respect thereto, with the costs (including reasonable attorneys' fees) of obtaining such injunction to be borne by the HealthHelp Corp Sellers or Farnsworth, as applicable. Nothing contained herein shall be construed as prohibiting Purchaser from pursuing any other remedy available to it for such breach or threatened breach, including making any claim for damages, specific performance or equitable relief.

(e) If any court determines that any provision or covenant contained in this Section 8.8 is an unreasonable restriction upon any of the HealthHelp Corp Sellers or Farnsworth, such restrictions shall be modified, rewritten or interpreted to include as much of their nature and scope as will render them enforceable.

8.9 Other Tax Provisions.

(a) Additional Cooperation on Tax Matters. Purchaser and Sellers' Representative shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the preparation and filing of any Tax Return and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information which are reasonably relevant to any such Tax Return, audit, litigation or other proceeding or any tax planning and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Purchaser and Sellers' Representative further agree, upon request, to use their commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to, any Transfer Taxes).



(b) Preparation of Tax Returns. Sellers' Representative shall prepare and file, or cause to be prepared and filed at the Unitholders' (excluding HealthHelp Corp) and HealthHelp Corp Sellers' cost and expense, all income Tax Returns (including IRS Form 1065 and Schedule K-1) of the HealthHelp Entities for all taxable periods ending on or prior to the Closing Date (the "Seller Prepared Returns"). Except as specifically provided herein, including the correction of the item identified on Schedule 3.17(a) within the 2016 Tax Returns of the appropriate HealthHelp Entities, and as otherwise required by applicable Tax Law, Seller Prepared Returns shall be prepared in a manner that is consistent with prior Tax Returns filed by the HealthHelp Entities. For the avoidance of doubt, Purchaser and its Affiliates will cooperate in good faith with Sellers' Representative in preparing and filing any Seller Prepared Returns, including, without limitation, causing an appropriate officer or representative of a HealthHelp Entity to sign and/or file a Seller Prepared Return. Purchaser shall prepare and file, or cause to be prepared and filed, at the sole cost and expense of Purchaser, all other Tax Returns of HealthHelp Corp and the HealthHelp Entities for Pre-Closing Tax Periods (including any income Tax Returns for a Straddle Period) that are required to be filed after the Closing Date. In addition, Purchaser shall prepare *pro forma* United States Federal income Tax Return (IRS Form 1120) for HealthHelp Corp for the taxable year that includes the Closing Date as if such taxable year ended on the Closing Date, with such Tax Returns calculating the Taxes of HealthHelp Corp and other items in accordance with the provisions of Section 8.9(g) and this Section 8.9(b) (including, for this purpose, preparing such Pro Forma Returns based on a *pro forma* Schedule K-1 prepared by the Company with respect to HealthHelp Corp assuming HealthHelp Corp only held the HealthHelp Corp Units through the Closing Date and received allocations of income, expense, profit, loss and credit from the Company through the Closing Date based on an interim closing of the books of the Company in the manner set forth in this Section 8.9(b) and Section 8.9(g) (the "Pro Forma Returns," and, together with the Tax Returns prepared by Purchaser pursuant to the preceding sentence, the "Purchaser Prepared Returns"). The cost of preparing the Pro Forma Returns shall be paid fifty percent (50%) by Purchaser, on the one hand, and fifty percent (50%) by the HealthHelp Corp Sellers, on the other hand. Except as otherwise required by this Agreement or applicable Tax Law, all Purchaser Prepared Returns shall be prepared in a manner that is consistent with prior Tax Returns of filed by the HealthHelp Entities and HealthHelp Corp. To the extent the taxable year of a HealthHelp Entity that is treated as a partnership for U.S. federal and applicable state and local tax purposes does not end on the Closing Date as a matter of law, the Parties hereto agree that the applicable HealthHelp Entity shall use the interim closing of the books method under Code Section 706 and Treasury Regulations Section 1.706-4, using the "calendar day" convention, effective as of the end of the day of the Closing Date for purposes of determining how such HealthHelp Entity's income, profit, loss, deduction or any other items allocable to any tax periods that include the Closing Date shall be allocated to the Unitholders, on the one hand, and the Purchaser (or such other Person(s) holding Company Units following the Closing), on the other hand. The Parties agree (i) that the Sellers' Transaction Expenses and any other expenses incurred by HealthHelp Corp or the HealthHelp Entities, as applicable, with respect to the transactions contemplated by this Agreement will be treated as deductible in a Pre-Closing Tax Period, and all Tax Returns (including Pro Forma Returns) will be prepared pursuant to this Section 8.9(b) consistent with such treatment, (ii) Purchaser shall not, and shall cause HealthHelp Corp not to, elect to waive any carryback of net operating losses under Section 172(b)(3) of the Code on any Tax Return of HealthHelp Corp filed in respect of a taxable period beginning before the Closing Date, (iii) to the maximum extent permitted by Law, any Tax deductions arising from the Sellers' Transaction Expenses and any other expenses incurred by the HealthHelp Entities with respect to the transactions contemplated by this Agreement allocated by the Company to HealthHelp Corp that are deducted in Pre-Closing Tax Periods pursuant to this Section 8.9(b) shall reduce the HealthHelp Corp Unpaid Taxes (but never to be less than \$0) and (iv) for the avoidance of doubt, notwithstanding Company's representation in Section 3.17(b)(xiv), Purchaser may make a protective Code Section 754 election for the Company for the taxable year that includes the Closing Date. No later than thirty (30) days prior to filing any Purchaser Prepared Return (or, in the case of the Pro Forma Returns, no later than thirty (30) days prior to the filing of the income Tax Returns for HealthHelp Corp for the taxable year that includes the Closing Date), which shall be no later than ninety (90) days following the end of a taxable year with respect to any income Tax Return of a HealthHelp Entity or HealthHelp Corp for a taxable year that includes the Closing Date, Purchaser shall provide to the Sellers' Representative drafts of each such Purchaser Prepared Return and shall, prior to filing thereof, make any changes reasonably requested by the Sellers' Representative and otherwise obtain the approval of the Sellers' Representative to the filing thereof which approval shall not be unreasonably withheld, conditioned or delayed. Without limiting the general provisions of this Section 8.9(b), Purchaser shall cause the HealthHelp Entities and HealthHelp Corp to prepare and file all income Tax Returns for each taxable year that includes Closing Date (including, for the avoidance of doubt, the IRS Form 1065 for the Company) no later than one hundred fifty (150) days following the end of such applicable taxable year. If the Sellers' Representative and Purchaser cannot agree on a Purchaser Prepared Return, all disputed items shall be referred to, and decided by, a "Big Four" accounting firm expert in such Tax matters that is mutually agreed upon by the Parties in a manner consistent with this Agreement.



(c) Audits of Tax Returns. Purchaser shall notify Sellers' Representative within thirty (30) days upon the receipt of any notice, or becoming aware, of any audit or other similar examination with respect to Taxes of HealthHelp Corp or the HealthHelp Entities for any Pre-Closing Tax Period (a "Tax Contest"); provided, that no failure or delay of Purchaser in providing such notice shall reduce or otherwise affect the obligations of the Unitholders pursuant to this Agreement, except to the extent that the Unitholders or the HealthHelp Corp Sellers are materially and adversely prejudiced as a result of such failure or delay. Purchaser shall control, or cause HealthHelp Corp or the HealthHelp Entities, as applicable, to control the conduct of any Tax Contest; provided, that if a Tax Contest relates to a Seller Prepared Return or any other Tax Return for a Pre-Closing Tax Period for which items of income, deductions, credits, gains or losses are passed through to the Unitholders under applicable Law or a Tax of HealthHelp Corp or a HealthHelp Entity for which the Purchaser Indemnitees may be indemnified under Article 11, Sellers' Representative shall have the right to assume control of such Tax Contest at the Unitholders' (excluding HealthHelp Corp) and HealthHelp Corp Sellers' cost and expense; provided, further, that (i) Parent or Stock Purchaser, as applicable, at its cost and expense, shall have the right to participate in any such Tax Contest and (ii) if such settlement could materially and adversely affect Parent or Stock Purchaser, as applicable, Sellers' Representative shall not settle any Tax Contest without Parent's or Stock Purchaser's written consent, as applicable, not to be unreasonably withheld, conditioned or delayed. If Sellers' Representative does not elect to control such Tax Contest, or for any other Tax Contest that relates to a Pre-Closing Tax Period for which the Unitholders may be liable for the Taxes thereunder (including pursuant to Article 11) or any Tax Contest the settlement of which could otherwise adversely affect the Unitholders or the HealthHelp Corp Sellers, in each case that Sellers' Representative does not otherwise control pursuant to this Agreement, Parent or Stock Purchaser shall control such Tax Contest; provided, that (A) Sellers' Representative, at the Unitholders' (excluding HealthHelp Corp) and HealthHelp Corp Sellers' cost and expense, shall have the right to participate in any such Tax Contest and (B) Parent or Stock Purchaser, as applicable, shall not settle any such Tax Contest without Sellers' Representative's written consent, not to be unreasonably withheld, conditioned or delayed. To the extent that this Section 8.9(c) is inconsistent with Section 11.6 as to any Tax matters, this Section 8.9(c) shall control.



(d) Tax Refunds. (i) The HealthHelp Corp Sellers shall be entitled to (A) any refunds received for federal, state, local or foreign Taxes paid for any Pre-Closing Tax Period (including the portion of any Straddle Period included in the Pre-Closing Tax Period) of HealthHelp Corp and (B) without duplication for amounts described in clause (A), any net overpayment or net loss of Taxes shown on any Pro Forma Return that is used to otherwise reduce or offset any Taxes on the actual income Tax Returns of HealthHelp Corp for the taxable year that includes (but does not end on) the Closing Date (each, a “HealthHelp Corp Tax Refund”) and (ii) the HealthHelp Corp Sellers and the Unitholders (other than HealthHelp Corp) shall be entitled to any refunds received for federal, state, local or foreign Taxes paid for any Pre-Closing Tax Period (including the portion of any Straddle Period included in the Pre-Closing Tax Period) of the HealthHelp Entities ending on or prior to the Closing Date (each, a “HealthHelp Tax Refund”), in each case along with any interest paid by the relevant taxing authority with respect thereto, except to the extent that any such HealthHelp Corp Tax Refund or HealthHelp Tax Refund results from the carryback of Tax attributes from a Post-Closing Tax Period of any Affiliate of Parent or Stock Purchaser, including HealthHelp Corp and the HealthHelp Entities. Any such refunds to which such Persons are entitled that are received by any HealthHelp Entity, HealthHelp Corp or any Affiliate of the foregoing after the Closing Date, whether by offset, credit, receipt of payment or otherwise, shall be caused by Parent or Stock Purchaser, as applicable, to be paid to Sellers’ Representative within fifteen (15) Business Days after receipt thereof (or, in the case of amounts described in clause (i)(B) above, within fifteen (15) Business Days after filing the applicable income Tax Return of HealthHelp Corp for the taxable year that includes (but does not end on) the Closing Date). The Sellers’ Representative shall disburse any such refund (1) in the case of a HealthHelp Corp Tax Refund, to the HealthHelp Corp Sellers pro rata based upon the percentage set forth next to each such HealthHelp Corp Seller’s name on Schedule 2.1 and (2) in the case of a HealthHelp Tax Refund, to the HealthHelp Corp Sellers and the Unitholders (other than HealthHelp Corp) in accordance with the Distribution Waterfall. Purchaser shall cooperate with the Sellers’ Representative in obtaining such refunds, including through the filing of amended Tax Returns or refund claims, it being understood that (x) Purchaser and HealthHelp Corp will carryback any net operating losses for taxable periods ending on or prior to or including the Closing Date to prior taxable periods as allowable by applicable Tax Law and shall claim Tax refunds as a result of such carryback (including through the filing of amended Tax Returns) and (y) upon the request of the Sellers’ Representative, Purchaser and HealthHelp Corp shall cooperate with the Sellers’ Representative in preparing and filing Tax Returns (including amendments of prior Tax Returns and claims for refunds) for any taxable period ending on or prior to or including the Closing Date to claim such refunds.

(e) Post-Closing Tax Actions. None of Parent, Stock Purchaser or any of their respective Affiliates (including on or after the Closing Date, HealthHelp Corp and the HealthHelp Entities) shall (i) file, or cause to be filed, any restatement or amendment of, modification to, or claim for refund relating to, any Tax Return of HealthHelp Corp or the HealthHelp Entities for Pre-Closing Tax Period, (ii) make or change any Tax election with respect to HealthHelp Corp or the HealthHelp Entities for any Pre-Closing Tax Period, (iii) extend or waive any statute of limitations with respect to Taxes or Tax Returns of HealthHelp Corp or the HealthHelp Entities for a Pre-Closing Tax Period, (iv) make any election under Section 336 or 338 of the Code with respect to the transactions contemplated by this Agreement, (v) file Tax Returns for any HealthHelp Entity or HealthHelp Corp for a Pre-Closing Tax Period in a jurisdiction in which such HealthHelp Entity or HealthHelp Corp has not historically filed Tax Returns, (vi) initiate discussions or examinations with a taxing authority or make any voluntary disclosures with respect to Taxes or Tax Returns of a HealthHelp Entity or HealthHelp Corp for Pre-Closing Tax periods, (vii) change any accounting method or adopt any convention for a HealthHelp Entity or HealthHelp Corp that shifts taxable income from a period (or portion thereof) ending on or before the Closing Date or shifts deductions or losses from a Pre-Closing Tax Period to a period beginning (or deemed to being) after the Closing Date or (viii) take any action after the Closing on the Closing Date outside the ordinary course of business, in each case, without the prior written consent of the Sellers’ Representative, not to be unreasonably withheld, conditioned or delayed.



(f) No Intermediary Tax Shelter. The Stock Purchaser, Parent and its Affiliates shall not engage in any intermediary transaction tax shelter with respect to HealthHelp Corp.

(g) Apportionment of Taxes. For purposes of this Agreement, in the case of any Straddle Period, the amount of any Taxes or refund for Taxes of HealthHelp Corp or the HealthHelp Entities (i) based on or measured by income or receipts, sales or use, employment, or withholding for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date (and for such purpose, the taxable period of any partnership or other pass-through entity in which HealthHelp Corp or the HealthHelp Entities hold a beneficial interest shall be deemed to terminate at such time) and (ii) the amount of other Taxes of HealthHelp Corp or the HealthHelp Entities for a Straddle Period for the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction, the numerator of which is the number of days in the Straddle Period prior to and including the Closing Date and the denominator of which is the number of days in such Straddle Period. In the case of clause (i) of the preceding sentence, exemptions, allowances or deductions that are calculated on an annual basis (including depreciation and amortization deductions) shall be allocated between the portion of the Straddle Period ending on the Closing Date and the portion of the Straddle Period thereafter in proportion to the number of days in each such portion.

(h) Tax Treatment of Escrow Fund. The Parties agree that for federal and applicable state and local income Tax purposes: (i) Parent shall be treated as the owner of the portion of the Escrow Fund allocable to the purchase of Company Units (other than the HealthHelp Corp Units) and Stock Purchaser shall be treated as the owner of the portion of the Escrow Fund allocable to the purchase of the HealthHelp Corp Stock, and all interest and earnings earned from the investment and reinvestment of the Escrow Fund, or any portion thereof, shall be allocable to Parent and Stock Purchaser, as applicable based on their respective allocable portion of the Escrow Fund, pursuant to Section 468B(g) of the Code and Proposed Treasury Regulation Section 1.468B-8, (ii) the right of the Unitholders (excluding HealthHelp Corp) and the HealthHelp Corp Sellers to the Escrow Fund shall be treated as deferred contingent purchase price eligible for installment sale treatment under Section 453 of the Code and any corresponding provision of state, local or non-U.S. Law, as appropriate, (iii) if and to the extent any amount of the Escrow Fund is actually distributed to the Unitholders (excluding HealthHelp Corp) or the HealthHelp Corp Sellers, interest may be imputed on such amount as required by Section 483 or 1274 of the Code and (iv) in the event any interest and earnings earned thereon paid to the Unitholders (excluding HealthHelp Corp) or the HealthHelp Corp Sellers under this Agreement exceeds the imputed interest, such interest shall be treated as interest or other income and not as purchase price. Clause (iv) of the preceding sentence is intended to ensure that the right of the Unitholders (excluding HealthHelp Corp) and the HealthHelp Corp Sellers to the Escrow Fund and any interest and earnings earned thereon is not treated as a contingent payment without a stated maximum selling price under Section 453 of the Code and the Treasury Regulations promulgated thereunder. All Parties hereto shall file all Tax Returns consistently with the foregoing provisions of this Section 8.9(h).



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(i) Tax Treatment. For all Tax purposes, the transactions contemplated by this Agreement will be reported in a manner that is consistent with the treatment described in this Section 8.9(i), and no Party hereto (and none of their respective Affiliates) will take any Tax position inconsistent therewith on any Tax Return or otherwise, except as otherwise required by Law or a “determination,” within the meaning of Section 1313(a)(1) of the Code or any similar provision of any state, local or non-U.S. Law. In particular:

(A) The purchase of the HealthHelp Corp Stock by Stock Purchaser from the HealthHelp Corp Sellers shall be treated as a taxable sale of stock governed by Section 1001 of the Code, and shall not result in the taxable year of HealthHelp Corp ending on the Closing Date for U.S. federal (and applicable state, local and non-U.S.) income Tax purposes.

(B) The acquisition of the Company Units (other than HealthHelp Corp Units) by Parent by virtue of the Merger shall be treated as a sale by the Unitholders (other than HealthHelp Corp) and a purchase by Parent of interests in a partnership governed by Sections 741 and 1001 of the Code, and shall not be treated as a termination of the Company for U.S. federal income Tax purposes pursuant to Section 708(b) of the Code.

8.10 Transfer Taxes. All sales and transfer taxes, recording charges and similar taxes, fees or charges imposed as a result of the transactions contemplated by this Agreement (collectively, the “Transfer Taxes”), together with any interest, penalties or additions to such Transfer Taxes, shall be borne in equal amounts by either the Stock Purchaser or Parent, on the one hand, and the HealthHelp Corp Sellers and the Unitholders (other than HealthHelp Corp), on the other hand. The Sellers’ Representative and Purchaser shall cooperate in timely making all filings, returns, reports and forms as necessary or appropriate to comply with the provisions of all applicable Laws in connection with the payment of such Transfer Taxes, and shall cooperate in good faith to minimize, to the fullest extent possible under such Laws, the amount of any such Transfer Taxes payable in connection therewith.

8.11 R&W Insurance Policy. Parent shall not agree or consent to any amendment to the second sentence of Section IX (or any successor provision) of the R&W Insurance Policy, or any other amendment to the R&W Insurance Policy that has the effect of amending or overriding such sentence, in each case without the prior written consent of the Sellers’ Representative.



ARTICLE 9

INTENTIONALLY OMITTED

ARTICLE 10

INTENTIONALLY OMITTED

ARTICLE 11

INDEMNIFICATION

11.1 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect for a period of eighteen (18) months after the Closing Date; provided, that (y) the representations and warranties in Section 3.1 (Organization), Section 3.2 (Power; Authorization of Transactions), Section 3.3 (Capitalization and Subsidiaries), Section 3.24 (Brokerage), Section 4.1 (Organization), Section 4.2 (Authorization of Transactions), Section 4.5 (Brokerage), Section 4.6 (Ownership), Section 5.1 (Organization), Section 5.2 (Authorization of Transactions), Section 5.5 (Brokerage) and Section 5.6 (Capitalization; Prior Activities) (collectively, the “Seller Fundamental Representations”) shall survive indefinitely, and the representations and warranties in Sections Section 3.17 (Tax Matters) and Section 5.7 (Tax Matters) shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof) governing the subject matter of such provisions, plus sixty (60) days, and (z) the representations and warranties in Section 3.11 (Proprietary Rights), Section 3.16 (Employee Plans) and Section 3.18 (Health Care Matters; HIPAA) shall survive for a period of three (3) years following the Closing Date. All covenants and agreements of the Parties contained herein which require performance following the Closing shall survive the Closing in accordance with their terms. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching Party to the breaching Party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

11.2 Indemnification By the Seller Indemnifying Parties or the HealthHelp Corp Sellers.

(a) Subject to the other terms and conditions of this Article 11, including the Cap and other limitations, conditions and procedures set forth herein, the Seller Indemnifying Parties shall, severally (and not jointly) in accordance with their Pro Rata Shares, indemnify and defend each of the Stock Purchaser, Parent and its Affiliates (including the Company) and their respective Representatives (collectively, the “Purchaser Indemnitees”) against, and shall hold each of them harmless from and against and in respect of, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Purchaser Indemnitees based upon, arising out of, with respect to or by reason of:

(i) any inaccuracy in or breach of any of the representations or warranties of the HealthHelp Entities contained in Article 3 of this Agreement (as qualified by the Disclosure Schedules);



- (ii) any breach or non-fulfilment of any covenant, agreement or obligation to be performed by the HealthHelp Entities prior to the Closing pursuant to this Agreement;
- (iii) the failure of the HealthHelp Entities or HealthHelp Corp to comply with Laws prior to the Closing relating to the unlawful access or use of protected health information by Persons from outside the United States;
- (iv) any Taxes of any HealthHelp Entity, as properly determined under relevant Tax Law, for any taxable period (or portion thereof) ending on or before the Closing Date including, for the avoidance of doubt, the portion of any Straddle Period ending on the Closing Date (determined in accordance with the provisions of Section 8.9(b) and Section 8.9(g)), including, for the avoidance of doubt, any Taxes of the HealthHelp Entities for Pre-Closing Tax Periods arising out of the matters described in Schedule 3.17; provided, that the foregoing shall exclude any Taxes (A) included in the computation of Indebtedness, as finally determined or (B) that arise solely as result of a material breach of Section 8.9 by Purchaser or any of their Affiliates; or
- (v) any Action by any Unitholders (other than HealthHelp Corp) or alleged Unitholder regarding the sufficiency of the Aggregate Closing Consideration or the allocation of the Aggregate Closing Consideration in accordance with the terms of this Agreement is incorrect in any manner.

(b) Subject to the other terms and conditions of this Article 11, including the Cap and other limitations, conditions and procedures set forth herein, the HealthHelp Corp Sellers shall, severally (and not jointly) in accordance with their pro rata ownership of HealthHelp Corp, indemnify and defend each of the Purchaser Indemnitees against, and shall hold each of them harmless from and against and in respect of, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Purchaser Indemnitees based upon, arising out of, with respect to or by reason of:

- (i) any inaccuracy in or breach of any of the representations or warranties of the HealthHelp Corp Sellers or HealthHelp Corp contained in Article 4 or Article 5 of this Agreement (as qualified by the Disclosure Schedules);
- (ii) any breach or non-fulfilment of any covenant, agreement or obligation to be performed by the HealthHelp Corp Sellers pursuant to this Agreement;



(iii) any breach or non-fulfilment of any covenant, agreement or obligation to be performed by HealthHelp Corp prior to the Closing pursuant to this Agreement; or

(iv) any Taxes of HealthHelp Corp, as properly determined under relevant Tax Law, for any taxable period (or portion thereof) ending on or before the Closing Date including, for the avoidance of doubt, the portion of any Straddle Period ending on the Closing Date (determined in accordance with the provisions of Section 8.9(b) and Section 8.9(g) and consistent with the Pro Forma Returns as finally determined pursuant to Section 8.9(b)), including, for the avoidance of doubt, any Taxes of HealthHelp Corp for Pre-Closing Tax Periods arising out of the matters described on Schedule 5.7; provided, that the foregoing shall exclude any Taxes (A) included in the computation of Indebtedness, as finally determined or (B) that arise solely as result of a material breach of Section 8.9 by Purchaser or any of their Affiliates.

11.3 Indemnification By Purchaser. Subject to the other terms and conditions of this Article 11, Purchaser shall indemnify and defend each of the HealthHelp Corp Sellers, the Unitholders and their Representatives, heirs, executors and administrators (collectively, the “Seller Indemnitees”) against, and shall hold each of them harmless from and against and in respect of, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Seller Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Purchaser or Merger Sub contained in this Agreement; or

(b) any breach or non-fulfilment of any covenant, agreement or obligation to be performed by Purchaser or Merger Sub pursuant to this Agreement.

11.4 Certain Limitations. The indemnification provided for in Section 11.2 and Section 11.3 shall be subject to the following limitations:

(a) The Purchaser Indemnitees shall not claim, nor shall the Seller Indemnified Parties or the HealthHelp Corp Sellers have any obligations to indemnify pursuant to Section 11.2(a)(i) or 11.2(b)(i) in respect of, any Losses resulting from a single event or claim or series of events or claims based on the same or similar facts, in each case which do not exceed \$25,000 (the “Per-Claim Threshold”); provided, that once the Per-Claim Threshold has been met with respect to any event or claim or series of events or claims based on the same or similar facts, the full amount of such Losses may be claimed by the Purchaser Indemnitees pursuant to Section 11.2(a)(i) or 11.2(b)(i), as applicable (but subject to all other applicable limitations under this Article 11); provided, further, that the Per-Claim Threshold shall not apply to Losses pursuant to Section 11.2(a)(i) or 11.2(b)(i) with respect to claims arising out of breaches of any Seller Fundamental Representations or any representation or warranty made in or pursuant to Section 3.17 (Tax Matters) and Section 5.7 (Tax Matters); provided, further, that once the aggregate amount of Losses resulting from claims that do not exceed the Per-Claim Threshold equals or exceeds One Hundred Fifty Thousand Dollars (\$150,000), the Per-Claim Threshold will not apply to any Losses thereafter.



(b) Neither the Seller Indemnifying Parties nor the HealthHelp Corp Sellers, as applicable, shall have any obligation to indemnify the Purchaser Indemnitees against Losses pursuant to Section 11.2(a)(i) or 11.2(b)(i), respectively, arising out of or based upon any inaccuracy in or breach of any representation or warranty made in or pursuant to this Agreement unless and until the aggregate of all such Losses exceeds Six Hundred Seventy-Five Thousand Dollars (\$675,000) (the “Threshold”) at which time only Losses in excess of the Threshold may be asserted; provided, that that on the first anniversary of the Closing Date, the Threshold shall be reduced to Three Hundred Thirty-Seven Thousand Five Hundred Dollars (\$337,500) (the “Reduced Threshold”), it being understood that in the event that, prior to the first anniversary of the Closing Date, the Purchaser Indemnitees suffer Losses in excess of the Reduced Threshold which, but for the application of the Threshold, would have been indemnifiable pursuant to Section 11.2(a)(i) or 11.2(b)(i), the Reduced Threshold shall not be applied retroactively to such Losses to require indemnification in respect thereof; and provided, further, that neither the Threshold nor the Reduced Threshold shall be applicable to any claim for Losses based upon any inaccuracy in or breach of any Seller Fundamental Representation or any representation or warranty made in or pursuant to Section 3.17 (Tax Matters) and Section 5.7 (Tax Matters); and provided, further, that all Losses for which indemnification is limited by application of the Per-Claim Threshold shall be disregarded when determining whether the Threshold or the Reduced Threshold, as applicable, shall have been met.

(c) Neither the Seller Indemnifying Parties nor the HealthHelp Corp Sellers, as applicable, shall be obligated to indemnify the Purchaser Indemnitees against Losses pursuant to Section 11.2(a)(i) or 11.2(b)(i), respectively, in an aggregate amount that exceeds Six Hundred Seventy-Five Thousand Dollars (\$675,000) (the “Cap”), which will represent the sole and exclusive remedy of the Purchaser Indemnitees for any such claims (subject, however, to recourse to the R&W Insurance Policy); provided, that on the first anniversary of the Closing Date, the Cap shall be reduced to Three Hundred Thirty-Seven Thousand Five Hundred Dollars (\$337,500) (the “Reduced Cap”), it being understood that in the event that Losses in excess of the Reduced Cap shall have been paid pursuant to Section 11.2(a)(i) or 11.2(b)(i) prior to the first anniversary of the Closing Date, in no event shall the Reduced Cap be applied retroactively to such Losses to require the Purchaser Indemnitees to refund any such amounts in excess of the Reduced Cap; and provided, further, that neither the Cap nor the Reduced Cap shall be applicable to any claim for Losses based upon any inaccuracy in or breach of any Seller Fundamental Representation or any representation or warranty made in or pursuant to Section 3.17 (Tax Matters) and Section 5.7 (Tax Matters).

(d) In no event shall:

(i) the Seller Indemnifying Parties, collectively, be obligated to indemnify the Purchaser Indemnitees against Losses in an aggregate amount that exceeds the Aggregate Final Consideration;



(ii) any individual Seller Indemnifying Party be obligated to indemnify the Purchaser Indemnitees for any individual Loss which is indemnifiable under Section 11.2(a) in an amount which exceeds such Seller Indemnifying Party's Pro Rata Share of such Loss;

(iii) any HealthHelp Corp Seller be obligated to indemnify the Purchaser Indemnitees for any individual Loss which is indemnifiable under Section 11.2(b) in an amount which exceeds such HealthHelp Corp Seller's pro rata portion of such Loss, as determined based on such HealthHelp Corp Seller's percentage ownership in HealthHelp Corp as of immediately prior to the Closing; or

(iv) any individual Seller Indemnifying Party be obligated to indemnify the Purchaser Indemnitees for any amounts which exceed, in the aggregate, the portion of the Aggregate Final Consideration received by such Seller Indemnified Party hereunder.

(e) For purposes of this Article 11, any inaccuracy in or breach of any representation or warranty and the amount of any Losses that are the subject matter of a claim for indemnification hereunder shall be determined without regard to any materiality or Material Adverse Effect qualification contained in such representation or warranty; provided, that this Section 11.4(e) shall not apply to (a) the representations and warranties set forth in Section 3.5(a) and Section 3.7 or (b) any reference to a "Material Contract."

(f) (d) No Seller Indemnifying Party shall be liable for Taxes of the HealthHelp Entities or HealthHelp Corp, as applicable, with respect to the Post-Closing Tax Period; provided, that the foregoing limitation shall not apply with respect to breaches under Sections 3.17(b)(v), 3.17(b)(viii), 3.17(b)(xi), 3.17(b)(xii), 5.7(b)(v), 5.7(b)(viii), 5.7(b)(xi) or 5.7(b)(xii).

(g) No Indemnified Party shall be entitled to recover (i) for the same Loss relating to any matter more than once to prevent duplicative recovery or (ii) for any Loss that was or will be taken into account in the calculation of the Aggregate Final Consideration.

(h) The amount of any Losses subject to indemnification under Section 11.2 shall be calculated net of any Loss Tax Benefit realized by a Purchaser Indemnitee in the year of the Losses giving rise to such indemnification claim or the immediately succeeding one (1) taxable year. For purposes hereof, "Loss Tax Benefit" shall mean the net Tax savings or benefits realized by a Purchaser Indemnitee that is attributable to any deduction, loss, credit, refund or other reduction in Tax resulting from or arising out of such Losses, in each case computed at the highest marginal Tax rates applicable to the Purchaser Indemnitee.

(i) Each Indemnified Party shall take all commercially reasonable steps to mitigate any loss upon becoming aware of any event, state of facts, circumstances or developments which would reasonably be expected to, or does, give rise thereto and the Indemnified Party shall provide the Indemnifying Party a reasonable opportunity to cure any breach.



(j) Subject to Section 11.4(k) below, to the extent that any Losses which are indemnifiable by the Seller Indemnifying Parties hereunder may also be recoverable against the R&W Insurance Policy, the Purchaser Indemnitees shall first seek recourse against the R&W Insurance Policy, and shall only seek recourse against the Seller Indemnifying Parties if recovery against the R&W Insurance Policy is denied (it being understood that the indemnification obligations of the Seller Indemnifying Parties shall in any case be subject to the other limitations on indemnification contained herein); provided, that the foregoing shall not be applicable to Losses arising out of any breaches of the Seller Fundamental Representations.

(k) To the extent that any Losses which are indemnifiable by (i) the Seller Indemnifying Parties pursuant to Section 11.2(a)(iv) (collectively, the “Seller Indemnifiable Tax Losses”) or (ii) the HealthHelp Corp Sellers pursuant to Section 11.2(b)(iv) (collectively, the “HealthHelp Corp Indemnifiable Tax Losses”) may also be recoverable against the R&W Insurance Policy (after giving effect to the application of any retention or similar amounts) the Purchaser Indemnitees shall first seek recourse against the R&W Insurance Policy in accordance with Section 11.4(j) in an aggregate amount up to Two Million Four Hundred Thousand Dollars (\$2,400,000). In the event that (1) the Purchaser Indemnitees shall have recovered against the R&W Insurance Policy any amounts in respect of Seller Indemnifiable Tax Losses and/or HealthHelp Corp Indemnifiable Tax Losses pursuant to the immediately preceding sentence and (2) at any time thereafter the aggregate amount of all Losses recovered against the R&W Insurance Policy equals Twelve Million Dollars (\$12,000,000) (the “Policy Limit”), then the Purchaser Indemnitees shall be entitled to seek recourse against (i) the Seller Indemnifying Parties for Losses in excess of the Policy Limit which, but for the application of the Cap, would be indemnifiable by the Seller Indemnifying Parties pursuant to this Article 11, in an amount not to exceed the actual amount recovered under the R&W Insurance Policy for all Seller Indemnifiable Tax Claims and (ii) the HealthHelp Corp Sellers for Losses in excess of the Policy Limit which, but for the application of the Cap, would be indemnifiable by the Seller Indemnifying Parties pursuant to this Article 11, in an amount not to exceed the actual amount recovered under the R&W Insurance Policy for all HealthHelp Corp Indemnifiable Tax Losses. For the avoidance of doubt, in no event shall the foregoing provisions of this Section 11.4(k) be deemed to modify, in any respect, any of the limitations on indemnification contained in this Article 11, other than the application of the Cap as provided in Section 11.4(c).

11.5 Inter-Party Claims.

(a) Any Person seeking indemnification pursuant to this Article 11 (the “Indemnified Party”) shall promptly notify in writing the other Person(s) from whom such indemnification is sought (the “Indemnifying Party”) of the Indemnified Party’s assertion of such claim for indemnification, describing the basis of such claim, but failure to give such notice promptly shall not adversely affect the Indemnified Party’s rights to indemnification except to the extent that the Indemnifying Party can show that the failure to give such notice on a timely basis materially and adversely affected the Indemnifying Party’s ability to defend the claim or that such notice was not given within the time periods specified in Section 11.1.



11.6 Third Party Claims.

(a) Each Indemnified Party shall promptly notify in writing the Indemnifying Party of the assertion by any third party (i.e., any Person who is not a Purchaser Indemnitee or a Seller Indemnitee) of any claim to which the indemnification set forth in this Article 11 relates (which shall also constitute the notice required by Section 11.5), but failure to give such notice promptly shall not adversely affect the Indemnified Party's rights to indemnification except to the extent that the Indemnifying Party can show that the failure to give such notice on a timely basis materially and adversely affected the Indemnifying Party's ability to defend the claim or that such notice was not given within the time periods specified in Section 11.1.

(b) Except as set forth below in this Section 11.6(b), the Indemnifying Party shall have the right, upon written notice to the Indemnified Party, to undertake the defense of such third-party claim. The failure of the Indemnifying Party to give such notice and to undertake the defense of such a claim shall constitute a waiver of the Indemnifying Party's rights to defend such third-party claim under this Section 11.6(b) and, in the absence of gross negligence or willful misconduct on the part of the Indemnified Party, shall preclude the Indemnifying Party from disputing the manner in which the Indemnified Party may conduct the defense of such claim or the reasonableness of any amount paid by the Indemnified Party in satisfaction of such claim. The election of the Indemnifying Party to undertake the defense of any third-party claim pursuant to this Section 11.6(b) will, without admitting Liability to any third party with respect to such claim, conclusively establish for the purposes of this Agreement that the claims made in such third-party claim are within the scope of, and subject to, indemnification by the Indemnifying Party pursuant to this Article 11. Notwithstanding the foregoing, under no circumstances shall an Indemnifying Party be entitled to undertake the defense of a third-party claim if (i) such claim alleges criminal liability for any Purchaser Indemnitee or involves a Governmental Authority or any claim in respect of Taxes, (ii) such claim involves requests for injunctive or other equitable relief in respect of a Purchaser Indemnitee or its business, or (iii) such claim is one in which the Indemnifying Party is also a party and there exists a conflict of interest between the Indemnifying Party and the Indemnified Party in the conduct of such defense.

(c) The Indemnified Party shall not settle such claim without the Indemnifying Party's consent, which will not be unreasonably withheld, conditioned or delayed. The Indemnified Party shall, subject to obligations of confidentiality rights of privilege, or other restrictions under Contract or Law, make available to the Indemnifying Party or its representatives all records and other materials reasonably required by them and in the possession or under the control of the Indemnified Party for the use of the Indemnifying Party and its representatives in defending any such claim, and shall in other respects give reasonable cooperation in such defense, and any costs or expenses associated with taking such actions shall be included as Losses hereunder.



(d) The Indemnifying Party must obtain the prior written consent of the Indemnified Party (which the Indemnified Party will not unreasonably withhold, condition or delay) before entering into any settlement or compromise of such claim or proceeding or ceasing to defend such claim or proceeding. Notwithstanding the foregoing, the Indemnifying Party may, without the prior written consent of the Indemnified Party, settle or compromise any third-party claim, or consent to the entry of judgment with respect to a third-party claim; provided, that such settlement, compromise, or judgment involves solely the payment of monetary damages by the Indemnifying Party, without admission of any Liability on the part of any Indemnified Party, and includes, as an unconditional term thereof, a full and complete release of the Indemnified Party by the claimant or the plaintiff of all Liability with respect to such claim.

(e) The election by the Indemnifying Party, pursuant to Section 11.6(b), to undertake the defense of a third-party claim shall not preclude the Person against whom such claim has been made also from participating or continuing to participate in such defense.

11.7 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the Parties as an adjustment to the Gross Purchase Price payable by Parent and/or Stock Purchaser, as applicable, for Tax purposes, unless otherwise required by Law.

11.8 R&W Insurance Policy. Purchaser and its Affiliates will not amend, waive or otherwise modify the R&W Insurance Policy in any manner that would allow the insurer thereunder or any other Person to subrogate or otherwise make or bring any Action against any of the HealthHelp Corp Sellers, Unitholders or the HealthHelp Entities, or any of their Affiliates, or any past, present or future managers, directors, partners, officers, employees, direct or indirect equityholders, agents or other representatives of any of the foregoing, except to the extent such Party committed fraud.

11.9 Right of Set-Off. In Purchaser's sole and absolute discretion, Purchaser, on behalf of itself and any other Purchaser Indemnitee, may at any time set-off any amounts that have been Finally Determined to be owed to any of them by the Seller Indemnifying Parties pursuant to this Article 11 (but subject in all cases to the limitations contained herein), against any amounts owed by Purchaser or any of its Affiliates to the Seller Indemnified Parties pursuant to Section 2.13. For the avoidance of doubt, in no event shall this Section 11.9 be construed as to allow Purchaser to so offset (with respect to any Loss) any amount in excess of the amount of Losses for which any Seller Indemnified Party would be obligated to indemnify the Purchaser Indemnitees pursuant to this Article 11 (including the limitations contained herein). The exercise of such right of set-off by Purchaser shall not constitute an event of default under any obligation owed by Purchaser or any of its Affiliates to the HealthHelp Corp Sellers. Neither the exercise nor the failure to exercise such right of set-off will constitute an election of remedies or limit Purchaser in any manner in the enforcement of any other remedies that may be available to it. For purposes of this Section 11.9, "Finally Determined" shall mean the parties have reached a binding agreement in writing or a court of competent jurisdiction shall have entered a final and non-appealable order resolving any dispute.

11.10 Denial of Claims. The HealthHelp Corp Sellers acknowledge and agree that the denial of any claim by any Purchaser Indemnitee under the R&W Insurance Policy shall not be construed as, or used as evidence that, such Purchaser Indemnitee is not entitled to indemnification under this Article 11.



11.11 Other Indemnification and Insurance. Subject to the terms of Section 11.4(j) and Section 11.4(k), amounts in respect of which the Indemnified Party would otherwise be entitled to indemnification shall be offset by any amounts or benefits received (whether in the form of cash, credit or some other beneficial arrangement) from any third party in respect of such Loss and the aggregate amount of any insurance proceeds actually received (whether in the form of cash or credit) in respect of such Loss, net of any related costs and expenses, including the aggregate cost of pursuing any related insurance claims, including any deductible amount paid by an Indemnifying Party, retroactive premiums and premium increases. In furtherance of the foregoing, in respect of any Losses covered by insurance or for which an indemnity, contribution or other similar right against a third party is available, the Indemnified Party shall use commercially reasonable efforts to seek recovery under such insurance or indemnity, contribution or similar right; provided, that no Indemnified party shall be obligated to litigate or bring any Action to obtain recovery from any insurance policy.

11.12 Exclusive Remedy. The Parties agree that after the Closing, the exclusive remedies of the Purchaser Indemnitees and the Seller Indemnitees for any Losses based upon, arising out of or otherwise in respect of the transactions contemplated by this Agreement are (y) the indemnification obligations of the Parties set forth in this Article 11 (subject to the limitations contained herein) and (z) in the case of the Purchaser Indemnitees, recovery from the R&W Policy, if applicable. To the maximum extent permitted by applicable Law, each of the Stock Purchaser, Parent and Merger Sub, on behalf of themselves and each Purchaser Indemnitee, hereby waives all other rights and remedies with respect to the transactions contemplated by this Agreement, whether under Law or otherwise; provided, however, that nothing contained in this Article 11 shall preclude a party from seeking or obtaining injunctive relief to prevent breaches of the covenants and agreements contained herein which require performance following the Closing. Notwithstanding anything to the contrary herein, the existence of this Article 11 and of the rights and restrictions set forth herein and therein do not limit any legal remedy against any Party hereto to the extent such Party committed actual fraud in connection with the negotiation or consummation of the transactions contemplated by this Agreement or the negotiation, preparation or execution of this Agreement.



ARTICLE 12

MISCELLANEOUS

12.1 Sellers' Representative; Waiver of Conflicts; Retention of Privilege.

(a) At the Closing, MTS Health Investors, LLC (and each successor appointed in accordance with Section 12.1(e)) shall be constituted and appointed as the Sellers' Representative. For purposes of this Agreement and the Transaction Documents, the term "Sellers' Representative" shall mean the representative, true and lawful agent, proxy and attorney-in-fact of the HealthHelp Corp Sellers and the Unitholders (other than HealthHelp Corp) for all purposes of this Agreement and the other Transaction Documents, with full power and authority on such Person's behalf to: (i) consummate the transactions contemplated by this Agreement and the other Transaction Documents, (ii) pay such Person's expenses (whether incurred on or after the date hereof) incurred in connection with the negotiation and performance of this Agreement and the other Transaction Documents, (iii) receive, give receipt and disburse any funds received hereunder on behalf of such Person and to hold back from disbursement any such funds to the extent it reasonably determines may be necessary, (iv) execute and deliver any certificates representing the HealthHelp Corp Stock and/or Company Units, if any, and execute such further instruments as Purchaser shall reasonably request, (v) execute and deliver on behalf of such Person all documents contemplated herein and therein and any amendment or waiver hereto and thereto, (vi) take all other actions to be taken by or on behalf of such Person in connection herewith or therewith, (vii) negotiate, settle, compromise and otherwise handle all disputes under this Agreement or any other Transaction Document, including without limitation, disputes pursuant to Section 2.12 (Determination of Post-Closing Adjustment), (viii) waive or terminate any condition to the obligation of such Person to consummate the transactions contemplated by this Agreement or the other Transaction Documents, (ix) to prepare, review and comment on Tax Returns and participate and/or control any applicable Tax Contests, (x) act with respect to all indemnification matters referred to in this Agreement and any other Transaction Documents, including the right to compromise on behalf of such HealthHelp Corp Seller or the Unitholder any indemnification claim made by or against such HealthHelp Corp Seller or the Unitholder, (xi) give and receive notices on behalf of such Person, and (xii) do or refrain from doing each and every act and exercise any and all rights which such Person is, or the HealthHelp Corp Sellers and/or Unitholders (other than HealthHelp Corp) collectively are, permitted or required to do or exercise under this Agreement or the other Transaction Documents. The HealthHelp Corp Sellers and the Unitholders (other than HealthHelp Corp), by approving the principal terms of the Merger and/or accepting the consideration payable to them hereunder, irrevocably grant unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing necessary or desirable to be done in connection with the transactions contemplated by this Agreement and the other Transaction Documents, as fully to all intents and purposes as such HealthHelp Corp Sellers or Unitholders (other than HealthHelp Corp) might or could do in person. Each of the HealthHelp Corp Sellers and Unitholders (other than HealthHelp Corp) agrees that such agency and proxy are coupled with an interest, are therefore irrevocable without the consent of the Sellers' Representative and shall survive the death, incapacity or bankruptcy of any such HealthHelp Corp Seller or Unitholder (other than HealthHelp Corp).



(b) All decisions, actions, consents and instructions of the Sellers' Representative shall be final and binding upon all the HealthHelp Corp Sellers and the Unitholders (other than HealthHelp Corp) and no such HealthHelp Corp Seller or Unitholder shall have any right to object, dissent, protest or otherwise contest the same, except in the case of fraud or bad faith by the Sellers' Representative. The Sellers' Representative is authorized to act on behalf of the HealthHelp Corp Sellers and Unitholders (other than HealthHelp Corp) notwithstanding any dispute or disagreement among HealthHelp Corp Sellers and Unitholders, and any Person shall be entitled to conclusively and absolutely rely on any and all action taken by the Sellers' Representative as the acts of the HealthHelp Corp Sellers and Unitholders under this Agreement without liability to, or obligation to inquire of, the HealthHelp Corp Sellers or Unitholders.

(c) Neither the Sellers' Representative nor any agent employed by Sellers' Representative shall incur any liability to any HealthHelp Corp Seller or Unitholder relating to the performance of its duties hereunder except for actions or omissions by the Sellers' Representative or such agent constituting fraud or bad faith as determined in a final and non-appealable judgment of a court of competent jurisdiction. The Sellers' Representative shall not have by reason of this Agreement a fiduciary relationship in respect of any HealthHelp Corp Seller or Unitholder, except in respect of amounts actually received on behalf of such HealthHelp Corp Seller or Unitholder.

(d) The HealthHelp Corp Sellers and the Unitholders shall cooperate with the Sellers' Representative and any accountants, attorneys or other agents whom the Sellers' Representative may retain to assist in carrying out Sellers' Representative's duties hereunder. The HealthHelp Corp Sellers and the Unitholders (other than HealthHelp Corp) shall reimburse the Sellers' Representative for all costs and expenses incurred, including professional fees, on a pro rata basis, based on the amount each such HealthHelp Corp Seller's or Unitholder's (other than HealthHelp Corp) would have borne of such costs and expenses had such costs and expenses been deducted from the Aggregate Final Consideration prior to such Aggregate Final Consideration being distributed pursuant to the Distribution Waterfall.

(e) In the event that the Sellers' Representative becomes unable to perform the Sellers' Representative's responsibilities or resigns from such position, the Sellers' Representative, upon written notice to the Stock Purchaser and Parent, shall select another representative to fill such vacancy and such substituted representative shall (i) be deemed to be the Sellers' Representative for all purposes of this Agreement and the other Transaction Documents and (ii) exercise the rights and powers of, and be entitled to the indemnity, reimbursement and other benefits of, the Sellers' Representative hereunder.



(f) At the Effective Time, Parent shall deliver cash to the Sellers' Representative in an amount equal to One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) (the "Sellers' Representative Expense Fund") to be held in trust to cover and reimburse the fees and expenses incurred by the Sellers' Representative for its obligations and the obligations of the Seller Indemnifying Parties in connection with this Agreement and the transactions contemplated hereby. The Sellers' Representative shall disperse to the Unitholders (other than HealthHelp Corp) and the HealthHelp Corp Sellers the remaining balance of the Sellers' Representative Expense Fund in accordance with the Distribution Waterfall, as and when determined by the Sellers' Representative in its sole discretion. Without limiting the foregoing, each Unitholder (other than HealthHelp Corp) and each HealthHelp Corp Seller shall, on a several basis, only to the extent of such Person's pro rata portion in accordance with the Distribution Waterfall, indemnify and defend the Sellers' Representative and hold the Sellers' Representative harmless against any loss, damage, cost, liability or expense actually incurred without fraud, gross negligence or willful misconduct by the Sellers' Representative (as determined in a final and non-appealable judgment of a court of competent jurisdiction) and arising out of or in connection with the acceptance, performance or administration of the Sellers' Representative duties under this Agreement. Any expenses or taxable income incurred by the Sellers' Representative in connection with the performance of its duties under this Agreement shall not be the personal obligation of the Sellers' Representative but shall be payable by and attributable to the Unitholders (other than HealthHelp Corp) and the HealthHelp Corp Sellers based on each such Person's pro rata portion determined in accordance with the Distribution Waterfall. Notwithstanding anything to the contrary in this Agreement, the Sellers' Representative shall be entitled and is hereby granted the right to set off and deduct any unpaid or non-reimbursed expenses and unsatisfied liabilities incurred by the Sellers' Representative in connection with the performance of its duties hereunder from amounts actually delivered to the Sellers' Representative pursuant to this Agreement. Additionally, in connection with any unpaid or non-reimbursed expenses and unsatisfied liabilities incurred by the Sellers' Representative in connection with the performance of its duties hereunder, the Sellers' Representative shall be entitled and is hereby granted the right to direct any funds that would otherwise be actually payable to Unitholders (other than HealthHelp Corp) and the HealthHelp Corp Sellers from the Sellers' Representative Expense Fund to itself no earlier than the date such payments are actually made. The Sellers' Representative may also from time to time submit invoices to the Unitholders (other than HealthHelp Corp) and the HealthHelp Corp Sellers covering such expenses and liabilities, which shall be paid by such Persons promptly following the receipt thereof on a pro rata basis based on the Distribution Waterfall. Upon the request of any Unitholder (other than HealthHelp Corp) or HealthHelp Corp Seller, the Sellers' Representative shall provide such Person with an accounting of all expenses and liabilities paid by the Sellers' Representative in its capacity as such. All amounts deposited to the Sellers' Representative Expense Fund shall be treated for federal and applicable state and local income Tax purposes as having been paid to the Unitholders or the HealthHelp Corp Sellers, as applicable, at the Closing.

(g) The Sellers' Representative represents and warrants that it has full corporate power and authority to enter into, execute, deliver and perform its obligations under this Agreement and each of the Transaction Documents applicable to the Sellers' Representative and to consummate the contemplated transactions. Each of the Transaction Documents to which the Sellers' Representative is a party constitutes, or will constitute as of the Closing Date, a legal, valid and binding agreement of the Sellers' Representative enforceable against it in accordance with the terms of each such Transaction Document, except as enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect relating to affecting creditors' rights generally and (ii) applicable equitable principles (whether considered in a proceeding at Law or in equity).

(h) Waiver of Conflicts; Retention of Privilege.

(i) Purchaser, Merger Sub, each HealthHelp Corp Seller and each Unitholder (other than HealthHelp Corp), by its execution and delivery of a Letter of Transmittal, acknowledges that the Company, the Unitholders, the HealthHelp Corp Sellers and the Sellers' Representative have retained Goodwin Procter LLP ("Goodwin") to act as their counsel in connection with the transactions contemplated hereby and that Goodwin has not acted as counsel for any other Person in connection with the transactions contemplated hereby and that no other Party or Person has the status of a client of Goodwin for conflict of interest or any other purposes as a result thereof.



(ii) Purchaser, Merger Sub, each HealthHelp Corp Seller and each Unitholder (other than HealthHelp Corp), by its execution and delivery of a Letter of Transmittal, hereby: (x) waives, on behalf of themselves and each of their Affiliates any claim they have or may have that Goodwin has a conflict of interest in connection with or is otherwise prohibited from engaging in such representation; and (y) agrees that, in the event that a dispute arises after the Closing between Purchaser or any of its Affiliates (including the Company) and any Unitholder, HealthHelp Corp Seller or the Sellers' Representative or any of their respective Affiliates, Goodwin may represent any such Person in such dispute even though the interest of any such parties may be directly adverse to Purchaser or any of its Affiliates (including the Company) and even though Goodwin may have represented the Company in a matter substantially related to such dispute.

(iii) Purchaser, Merger Sub, each HealthHelp Corp Seller and each Unitholder (other than HealthHelp Corp), by its execution and delivery of a Letter of Transmittal, for themselves and their respective Affiliates (including, as applicable, the Company), further agree that, as to all pre-Closing communications between or among Goodwin, the Company, any Unitholder, any HealthHelp Corp Seller and/or the Sellers' Representative that relate in any way to the transactions contemplated herein, the attorney-client privilege and all other rights to any evidentiary privilege belong to the Sellers' Representative and may be controlled by the Sellers' Representative and shall not pass to or be claimed by Purchaser or the Company. Notwithstanding the foregoing, in the event that a dispute arises between Purchaser, the Company or any of their respective Affiliates, on the one hand, and a third Person other than a Party or any third-party beneficiary to this Agreement after the Closing, on the other hand, the Company may assert the attorney-client privilege to prevent disclosure of confidential communications by Goodwin to such third party.

(iv) The Parties agree that Goodwin is intended to be, and shall be, a third party beneficiary of this Agreement for the purpose of this Section 12.1.

12.2 Amendment and Waiver. This Agreement may not be amended, altered or modified except by a written instrument executed by Purchaser and the Sellers' Representative. No course of dealing between or among any Persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Person under or by reason of this Agreement. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.



12.3 Notices. All notices, requests and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally against written receipt or by email or facsimile transmission with confirmation of receipt requested or mailed by prepaid first class certified mail, return receipt requested, or mailed by overnight courier prepaid, to the Parties at the following addresses, email addresses or facsimile numbers:

If to any HealthHelp Corp Seller or the Sellers' Representative (on behalf of itself or the Unitholders), then to:

c/o MTS Health Investors, LLC
623 Fifth Avenue
New York, New York 10022
Facsimile: (212) 887-2100
Email: Moses@mtspartners.com and Buzik@mtspartners.com
Attention: Oliver Moses and Alexander Buzik

with a copy (which shall not constitute notice) to:

Goodwin Procter LLP
The New York Times Building
620 Eighth Avenue
New York, New York 10018
Facsimile: (212) 355-3333
Email: cnugent@goodwinlaw.com and cdwyer@goodwinlaw.com
Attention: Christian C. Nugent and Christopher A. Dwyer

If to the Stock Purchaser, then to:

WNS Global Services (P) Ltd
Gate No 4, Plant 10 / 11 Godrej & Boyce Complex
Pirojshanagar, L.B.S. Marg, Vikhroli (West)
Mumbai, Maharashtra, 400079, India
Email: Arijit.Sen@wns.com
Attention: Arijit Sen



If to Parent, Merger Sub, HealthHelp Corp or the Surviving Company, then to:

WNS North America Inc.
15 Exchange Place,
Jersey City, New Jersey 07302
Email: Yogendra.Goyal@wns.com
Attention: Mr. Yogendra Goyal

with a copy (which shall not constitute notice) to:

Reed Smith LLP
599 Lexington Avenue
22nd Floor
New York, New York 10022
Facsimile: (212) 521-5450
Email: nrele@reedsmith.com
Attention: Niket Rele

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section 12.3 or by facsimile transmission to the facsimile number as provided in this Section 12.3 or by email transmission to the email address as provided in this Section 12.3, be deemed given on the day so delivered if delivered before 5:00 p.m. local time of the recipient on a Business Day, and otherwise on the next following Business Day, (ii) if delivered by mail in the manner described above to the address as provided in this Section 12.3, be deemed given on the earlier of the third Business Day following mailing or upon actual receipt, and (iii) if delivered by overnight courier to the address as provided in this Section 12.3, be deemed given on the earlier of the first Business Day following the date sent by such overnight courier or upon actual receipt, in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section 12.3. Any Party from time to time may change its address, facsimile number or other information for the purpose of notices to that Party by giving notice specifying such change to the other Parties.

12.4 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of each of the Parties and their respective successors and permitted assigns. Neither this Agreement nor any rights, benefits or obligations set forth herein may be assigned by any of the Parties without the prior written consent of Purchaser and the Sellers' Representative, any attempted assignment without such prior written consent shall be void; provided, that no consent shall be required in connection with an assignment pursuant to Sections 8.4(c) or 12.1(e).

12.5 Severability. Whenever possible, each provision of this Agreement will 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 will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.



12.6 Construction and Interpretation. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party. Unless the context of this Agreement otherwise requires, (i) words of any gender include each other gender, (ii) words using the singular or plural number also include the plural or singular number, respectively, (iii) the terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this entire Agreement, (iv) the terms “Article” or “Section” refer to the specified Article or Section of this Agreement and (v) the word “including” means “including without limitation.”

12.7 Captions. The captions used in this Agreement are for convenience of reference only and do not constitute a part of this Agreement and shall not be deemed to limit, characterize or in any way affect any provision of this Agreement, and all provisions of this Agreement shall be enforced and construed as if no caption had been used in this Agreement.

12.8 No Third-Party Beneficiaries. Except as otherwise expressly set forth in this Agreement, nothing herein expressed or implied is intended or shall be construed to confer upon or give to any third party, other than the Parties and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement.

12.9 Specific Performance. Each of the Parties acknowledges that the rights of each Party to consummate the transactions contemplated hereby are unique and recognize and affirm that in the event of a breach of this Agreement by any Party, money damages would be inadequate and the non-breaching Party would have no adequate remedy at law. Accordingly, the Parties agree that such non-breaching Party shall have the right, in addition to any other rights and remedies existing in their favor at law or in equity, to enforce their rights and the other Party’s obligations hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive and/or other equitable relief (without posting of bond or other security).

12.10 Complete Agreement. This Agreement, together with the schedules and exhibits referred to herein and the other Transaction Documents contain the complete agreement among the Parties and supersede any prior understandings, agreements or representations by or among the Parties, written or oral, which may have related to the subject matter hereof in any way.

12.11 Counterparts. This Agreement may be executed in one or more counterparts, any one of which may be by facsimile or electronic delivery (*i.e.*, by email of a PDF signature page), and each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

12.12 Governing Law. This Agreement shall be governed by and construed in accordance with the domestic Laws of the State of Delaware without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.



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12.13 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY. EACH PARTY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 12.13.

12.14 Exclusive Jurisdiction and Venue; Service of Process.

(a) Each Party (i) submits to the exclusive jurisdiction and venue of the United States District Court for the District of Delaware or the Court of Chancery of the State of Delaware, as applicable, for any Action arising from or in connection with the interpretation or enforcement of this Agreement, (ii) waives to the extent not prohibited by applicable Law, and agrees not to assert, by way of motion, as a defense or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such Action brought in one of the above-named courts should be dismissed on grounds of *forum non conveniens*, should be transferred or removed to any court other than one of the above-named courts, or should be stayed by reason of the pendency of some other Action in any other court other than one of the above-named courts or that this Agreement or any other agreement contemplated hereby or the subject matter hereof or thereof may not be enforced in or by such court and (iii) agrees not to commence any such Action other than before one of the above-named courts. Notwithstanding the previous sentence, a Party may commence any Action in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by one of the above-named courts.

(b) Each of the Parties hereby (i) consents to service of process in any Action among any of the Parties relating to or arising in whole or in part under or in connection with this Agreement or any other agreement contemplated hereby or the transactions contemplated herein in any manner permitted by Delaware Law, (ii) agrees that service of process made in accordance with clause (i) or made by registered or certified mail, return receipt requested, at its address specified pursuant to Section 12.3, will constitute good and valid service of process in any such Action and (iii) waives and agrees not to assert (by way of motion, as a defense, or otherwise) in any such Action any claim that service of process made in accordance with clause (i) or (ii) does not constitute good and valid service of process.



12.15 Disclosure Schedules. The information set forth in each section or subsection of the Schedules to this Agreement (the “Disclosure Schedules”) shall be deemed to provide the information contemplated by, or otherwise qualify, the provisions of this Agreement set forth in the corresponding section or subsection of this Agreement and any other section or subsection of this Agreement to the extent that such disclosure is reasonably apparent from a reading of such disclosure item to be applicable to such other section or subsection, regardless of whether such section or subsection is qualified by reference to the Disclosure Schedules. Matters reflected in the Disclosure Schedules are not necessarily limited to matters required by the Agreement to be reflected in the Disclosure Schedules, are included for informational purposes and do not necessarily include other matters of a similar nature. The inclusion, in and of itself, of any information in the Disclosure Schedules shall not be deemed to be an admission or an acknowledgement or otherwise to imply that such information is material for purposes of the Agreement or outside the ordinary course of business.

* * * * *



IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above-written.

COMPANY:

HEALTHHELP HOLDINGS, LLC

Name: Cherrill Farnsworth
Title: Chief Executive Officer

[Signature Pages - Stock Purchase Agreement and Plan of Merger]



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HEALTHHELP CORP:

MTS HEALTHHELP INC.

Name: Oliver T. Moses

Title: President

SELLERS' REPRESENTATIVE:

MTS HEALTH INVESTORS, LLC

Name: Oliver T. Moses

Title: Senior Managing Director

[Signature Pages - Stock Purchase Agreement and Plan of Merger]



HEALTHHELP CORP SELLERS:

MTS HEALTH INVESTORS II, L.P.

By: MTS Health Investors II GP, LLC, its general partner

Name: Oliver T. Moses
Title: Senior Managing Director

BROOKE PRIVATE EQUITY ADVISORS FUND II, L.P.

By:

Name:
Title:

BROOKE PRIVATE EQUITY ADVISORS FUND II (D), L.P.

By:

Name:
Title:

BPEA LIFE SCIENCES FUND I LIMITED PARTNERSHIP

By:

Name:
Title:

[Signature Pages - Stock Purchase Agreement and Plan of Merger]



CHERRILL FARNSWORTH:

[Signature Pages - Stock Purchase Agreement and Plan of Merger]



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STOCK PURCHASER:

WNS GLOBAL SERVICES PRIVATE LIMITED

Name:

Title:

PARENT:

WNS NORTH AMERICA INC.

Name:

Title:

MERGER SUB:

WNS HEALTHCARE NORTH AMERICA LLC

Name:

Title:

[Signature Pages - Stock Purchase Agreement and Plan of Merger]



Exhibit 4.14

EXECUTION VERSION

Dated

WNS NORTH AMERICA INC.

arranged by

BNP PARIBAS

with

BNP PARIBAS

acting through its Hong Kong branch
(acting as Agent)

and

BNP PARIBAS

acting through its Hong Kong branch
(acting as Security Agent)

US\$34,000,000

FACILITY AGREEMENT

LATHAM & WATKINS

9 Raffles Place
#42-02 Republic Plaza
Singapore 048619
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UEN No. T09LL1649F
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THIS AGREEMENT is dated 2017 and made

BETWEEN:

- (1) **WNS NORTH AMERICA INC.**, a corporation established under the laws of the State of Delaware, United States with its registered address at The Corporation Trust Centre, 1209 Orange Street, County of New Castle, Wilmington, Delaware 19801, United States (the **Borrower**);
- (2) **BNP PARIBAS** (the **Arranger**), a société anonyme incorporated in France and acting through its Hong Kong branch at 63/F, Two IFC, 8 Finance Street, Central, Hong Kong;
- (3) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 (*The Original Lenders*) as lenders (the **Original Lenders**); and
- (4) **BNP PARIBAS** as agent of the Finance Parties (the **Agent**), a société anonyme incorporated in France and acting through its Hong Kong branch at 63/F, Two IFC, 8 Finance Street, Central, Hong Kong; and
- (5) **BNP PARIBAS** as security trustee for the Secured Parties (the **Security Agent**), a société anonyme incorporated in France and acting through its Hong Kong branch at 63/F, Two IFC, 8 Finance Street, Central, Hong Kong.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

“**Acceptable Bank**” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit enhanced debt obligations of BBB or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or Baa2 or higher by Moody’s Investors Service Limited or a comparable rating from an internationally recognised credit rating agency;
- (b) a bank or financial institution incorporated in India which has the highest possible investment grade rating for its long-term unsecured and non credit-enhanced debt obligations from Credit Analysis & Research Ltd, CRISIL, ICRA and/or India Ratings and Research (a wholly owned subsidiary of Fitch Group); or
- (c) any other bank or financial institution approved by the Agent.

“**Accountants’ and Tax Due Diligence Reports**” means the following reports:

- (a) a financial due diligence report dated 19 October 2016 prepared by Grant Thornton India LLP; and
- (b) a tax due diligence report dated 19 October 2016 prepared by Grant Thornton India LLP,

each relating to the assets being acquired pursuant to the Acquisition.

Signature Page to Facility Agreement



“**Acquisition**” means the acquisition by the Borrower of the Target Shares on the terms of the SPA.

“**Acquisition Costs**” means all fees, costs and expenses, stamp, registration and other Taxes incurred by the Borrower or any other member of the Group in connection with the Acquisition or the Transaction Documents, including without limitation, all Deal Fees (as defined in the SPA).

“**Administrative Party**” means each of the Agent, the Arranger and the Security Agent.

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**APLMA**” means the Asia Pacific Loan Market Association Limited.

“**Asset Agreement**” means the agreement to be entered into between Denali Sourcing and Software Services (I) Pvt. Ltd and WNS Global Services Private Limited (India) on or about the date hereof, substantially in the form distributed to the Lenders prior to the signing of this Agreement.

“**Assignment Agreement**” means an agreement substantially in a recommended form of the APLMA or any other form agreed between the relevant assignor, assignee and the Agent.

“**Authorisation**” means:

- (a) an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration; or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

“**Availability Period**” means the period from and including the date of this Agreement to and including the date falling three Months after the date of this Agreement.

“**Available Commitment**” means at any time a Lender’s Commitment *minus*:

- (a) the aggregate amount of its participations in any outstanding Loan; and
- (b) in relation to any proposed Utilisation, the aggregate amount of its participations in any Loan that is due to be made on or before the proposed Utilisation Date.

“**Available Facility**” means at any time the aggregate of the Lenders’ Available Commitments.

“**Base Case Model**” means the financial model including profit and loss, balance sheet and cashflow projections in agreed form relating to the Group (for these purposes assuming completion of the Acquisition).

“**Break Costs**” means the amount (if any) by which:

- (a) the interest which a Lender should have received pursuant to the terms of this Agreement for the period from the date of receipt of all or any part of the principal amount of the Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;



exceeds:

- (b) the amount of interest which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

“**Business Day**” means:

- (a) for the purposes of determining LIBOR, a day (other than a Saturday or Sunday) on which banks are open for the transaction of domestic and foreign exchange business in London; and
- (b) for all other purposes, a day (other than a Saturday or Sunday) on which banks are open for general business in London, Hong Kong and New York.

“**Cash**” means, at any time, cash denominated in U.S. dollars or the currency of any jurisdiction in which the Group does business from time to time, in hand or at bank and (in the latter case) credited to an account in the name of an Obligor or any other member of the Group with an Acceptable Bank and to which an Obligor is alone (or together with other Obligors or member of the Group) beneficially entitled and for so long as:

- (a) that cash is repayable on demand;
- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Group or of any other person whatsoever or on the satisfaction of any other condition;
- (c) there is no Security or Quasi-Security (excluding paragraph (b)(i), (ii) or (iii) of Clause 20.6 (*Negative pledge*)) over that cash except for Transaction Security or any Security constituted by a netting or set-off arrangement entered into by members of the Group in the ordinary course of their banking arrangements which is permitted under paragraph (c)(ii) of Clause 20.6 (*Negative pledge*); and
- (d) the cash is freely and immediately available to be applied in repayment or prepayment of the Facility.

“**Cash Balance**” means, as of any date of measurement, the sum of the Cash balances and Cash Equivalent Investments which would appear as such on a balance sheet of the Borrower or any member of the Group which was prepared as at such date.

“**Cash Equivalent Investments**” means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of jurisdiction (other than those in Sanctioned Countries) in which the Group does business from time to time or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible or exchangeable to any other security:
 - (i) for which a recognised trading market exists;



- (ii) issued by an issuer incorporated in jurisdiction (other than those in Sanctioned Countries) in which the Group does business from time to time ;
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
 - (e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (iii) can be turned into cash on demand;
 - (f) in relation to any member of the Group incorporated in India only, any investment in money market funds or liquid mutual funds in India which (i) have the highest possible investment grade credit rating from Credit Analysis & Research Ltd, CRISIL and/or ICRA, (ii) which invest substantially all their assets in securities of the types described paragraphs (a) to (d) above and (iii) can be turned into cash on demand;
 - (g) any other debt security approved by the Majority Lenders,

in each case, in a currency in which the Group does business from time to time to which any Obligor is alone (or together with other Obligors and members of the Group are beneficially entitled at that time) and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents).

“Change of Control” means the Parent Guarantor ceases directly or indirectly to:

- (a) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (i) cast, or control the casting of, more than 51% of the maximum number of votes that might be cast at a general meeting of the Borrower;
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Borrower; or
 - (iii) give directions with respect to the operating and financial policies of the Borrower with which the directors or other equivalent officers of the Borrower are obliged to comply; or
- (b) hold beneficially more than 51% of the issued share capital of the Borrower (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

“Charged Property” means all of the assets which from time to time are, or are expressed to be, the subject of Transaction Security.

“Closing Date” means the date on which Completion occurs.



“**Code**” means the U.S. Internal Revenue Code of 1986.

“**Commitment**” means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading **Commitment** in Schedule 1 (*The Original Lenders*) and the amount of any other Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount of any Commitment transferred to it under this Agreement, to the extent not cancelled, reduced or transferred by it under this Agreement.

“**Completion**” means the date on which completion of the Acquisition occurs under the SPA.

“**Compliance Certificate**” means a certificate delivered pursuant to Clause 18.2 (*Compliance Certificate*) and signed either by a director of the Parent Guarantor, or an authorised signatory of the Parent Guarantor who is a senior executive (i.e. senior vice-president or above) with responsibility for the financial matters of the Parent Guarantor, substantially in the form set out in Schedule 5 (*Form of Compliance Certificate*).

“**Confidential Information**” means all information relating to the Borrower, any Obligor, the Group, the Target Group, the Finance Documents or a Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or a Facility from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or the Target Group or any of their respective advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 38 (*Disclosure of Information*); or
- (ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or the Target Group or any of their respective advisers; or
- (iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group or the Target Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

“**Confidentiality Undertaking**” means a confidentiality undertaking substantially in a recommended form of the APLMA or in any other form agreed between the Borrower and the Agent.



“**Default**” means an Event of Default or any event or circumstance specified in Clause 21 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

“**Delegate**” means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

“**Disclosure Schedules**” has the meaning given to that term in the SPA.

“**Disruption Event**” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; and
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“**Distress Event**” means the enforcement of any Transaction Security.

“**Environmental Claim**” means any claim, action, proceeding or investigation by any person in respect of any Environmental Law.

“**Environmental Law**” means any applicable law (including common law), regulation, rule, statute, ordinance, enforcement policy, judgment, order, decree or judicial or administrative determination in any jurisdiction in which any member of the Group conducts business which relates to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants.

“**Environmental Permits**” means any Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by the relevant member of the Group.

“**Event of Default**” means any event or circumstance specified as such in Clause 21 (*Events of Default*).

“**Facility**” means the term loan facility made available under this Agreement as described in Clause 2 (*The Facility*).

“**Facility Office**” means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement.

“**FATCA**” means:

- (a) sections 1471 to 1474 of the Code and any associated regulations;



- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraph (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

“FATCA Application Date” means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the U.S.), 1 July 2014;
- (b) in relation to a “withholdable payment” described in section 1473(1)(A)(ii) of the Code (which relates to “gross proceeds” from the disposition of property of a type that can produce interest from sources within the U.S.), 1 January 2019; or
- (c) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraph (a) or (b) above, 1 January 2019,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

“FATCA Deduction” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“FATCA Exempt Party” means a Party that is entitled to receive payments free from any FATCA Deduction.

“Fee Letter” means any letter or letters referring to this Agreement or the Facility between one or more Administrative Parties and the Borrower setting out any of the fees referred to in Clause 11 (*Fees*).

“Final Repayment Date” means the date falling 36 Months after the first Utilisation Date.

“Finance Document” means this Agreement, any Fee Letter, any Resignation Letter, any Transaction Security Document, any Utilisation Request, and any other document designated as such by the Agent and the Borrower.

“Finance Party” means an Administrative Party or a Lender.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;



- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with any financial indebtedness which is incurred with the objective of protecting against fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close out of that derivative transaction, that amount) shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability which would fall within paragraphs (a) to (g) above; and
- (i) without double-counting, the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above which appears as a contingent liability in the consolidated financial statements of the Parent Guarantor, and which for the avoidance of doubt shall exclude performance guarantees, guarantees in relation to hedging in the ordinary course of business and customary tax indemnities.

“**Financial Quarter**” means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

“**Financial Year**” means the annual accounting period of the Group ending on or about 31 March in each year or, any other date agreed between the Borrower and the Agent.

“**Funding Rate**” means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of Clause 10.4 (*Cost of funds*).

“**Funds Flow Statement**” means a funds flow statement in agreed form between the Borrower and the Agent;

“**GAAP**” means generally accepted accounting principles in the jurisdiction of incorporation of the relevant Obligor, including IFRS.

“**Governmental Agency**” means any government or any governmental agency, semi-governmental or judicial entity or authority (including, without limitation, any stock exchange or any self-regulatory organisation established under statute).

“**Group**” means the Parent Guarantor and its Subsidiaries from time to time.

“**Group Structure Chart**” means the group structure chart delivered to the Agent under this Agreement from time to time.

“**Holding Company**” means, in relation to a person, any other person in respect of which it is a Subsidiary.

“**IFRS**” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.



“**Inbound Intercompany Loan**” means a loan from the Parent Guarantor, or a member of the Group to the Borrower pursuant to which the Borrower incurs any Financial Indebtedness.

“**Indirect Tax**” means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

“**Information Package**” means the Reports and the Base Case Model.

“**Insolvency Event**” in relation to an entity means that the entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;
- (g) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (i) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;



- (j) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (i) above; or
- (k) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

“**Intellectual Property**” means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group (which may now or in the future subsist).

“**Intercompany Loan**” means an Inbound Intercompany Loan or an Outbound Intercompany Loan.

“**Interest Period**” means, in relation to the Loan, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.2 (*Default interest*).

“**Interpolated Screen Rate**” means the percentage rate (rounded upwards to four decimal places per annum determined by the Agent equal to:

$$S + ((D * (L - S)) / (LD - SD))$$

where:

- “L” = the Screen Rate for a period longer than, but as close as possible to, the duration of the Relevant Interest Period;
- “S” = the Screen Rate for a period shorter than, but as close as possible to, the duration of the Relevant Interest Period;
- “LD” = the number of days in the period for which L is quoted;
- “SD” = the number of days in the period for which the S is quoted;
- “D” = the number of days in the Relevant Interest Period minus SD; and
- “Relevant Interest Period” means the Interest Period of the Loan in respect of which the Interpolated Screen Rate is being determined.

“**Joint Venture**” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

“**Last Financial Quarter**” means the period commencing on January 1 of each year and ending on 31 March of that year.

“**Legal Due Diligence Report**” means the legal due diligence reports dated 3 October 2016 prepared by Kelly Drye & Warren LLP relating to the Acquisition.



“**Legal Opinion**” means any legal opinion delivered to the Agent under Clause 4 (*Conditions of Utilisation*) or Clause 23 (*Changes to the Obligors*).

“**Legal Reservations**” means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and
- (d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

“**Lender**” means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 22 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

“**LIBOR**” means, in relation to the Loan:

- (a) the applicable Screen Rate as of the Specified Time for the currency of the Loan and for a period equal in length to the Interest Period of the Loan; or
- (b) as otherwise determined pursuant to Clause 10.1 (*Unavailability of Screen Rate*),

and if, in either case, that rate is less than zero, LIBOR will be deemed to be zero.

“**Limitation Acts**” means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

“**Loan**” means, as the context requires, the loan made or to be made under the Facility or the principal amount outstanding at any time of that loan.

“**Loan Debt**” means all liabilities payable or owing by the Borrower and Obligors to the Finance Parties under or in connection with the Finance Documents.

“**London Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business including dealings in interbank deposits in London.

“**Majority Lenders**” means a Lender or Lenders whose Commitments aggregate more than 66 2/3% of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66 2/3% of the Total Commitments immediately prior to the reduction).

“**Margin**” means 1.27% per annum.



“**Material Adverse Effect**” means a material adverse effect on (a) the business, operations, property, condition (financial or otherwise) or prospects of the Group taken as a whole; (b) the ability of any of the Obligors to perform its obligations under the Finance Documents; or (c) the validity or enforceability of, or the rights or remedies of any Finance Party under, the Finance Documents.

“**Month**” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) subject to paragraph (c) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will apply only to the last Month of any period.

“**New Lender**” has the meaning given to that term in Clause 22 (*Changes to the Lenders*).

“**Obligors**” means the Borrower and the Parent Guarantor, and “**Obligor**” means each one of them.

“**Obligors’ Agent**” means the Borrower, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.3 (*Obligors’ Agent*).

“**OFAC**” means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

“**Original Financial Statements**” means:

- (a) in relation to the Group, the audited consolidated financial statements of the Group for the financial year ended 31 March 2016; and
- (b) in relation to the Target, the unaudited consolidated financial statements for the financial year ended 31 December 2015.

“**Outbound Intercompany Loan**” means a loan from Borrower to the Parent Guarantor or a member of the Group pursuant to which the Borrower is the creditor of any Financial Indebtedness.

“**Parent Guarantee**” means the guarantee entered into on or about the date hereof by the Parent Guarantor for the benefit of the Finance Parties.

“**Parent Guarantor**” means WNS (Holdings) Limited, a company incorporated under the laws of Jersey with registration number 82262 whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands.

“**Party**” means a party to this Agreement.

“**Quarter Date**” means 31 March, 30 June, 30 September and 31 December in any year.



“**Quasi-Security**” has the meaning given to that term in Clause 20.6 (*Negative pledge*).

“**Quotation Day**” means:

- (a) in relation to any period for which an interest rate is to be determined, two London Business Days before the first day of that period unless market practice differs in the Relevant Interbank Market in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days); and
- (b) in relation to any Interest Period the duration of which is selected by the Agent pursuant to Clause 8.2 (*Default interest*), such date as may be determined by the Agent (acting reasonably).

“**Receiver**” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

“**Reference Bank Rate**” means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Reference Banks, as the rate at which the relevant Reference Bank could borrow funds in the London interbank market in U.S. dollars and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in U.S. dollars and for that period.

“**Reference Bank Quotation**” means any quotation supplied to the Agent by a Reference Bank.

“**Reference Bank**” means the principal London offices of BNP Paribas or such other bank or banks as may be appointed by the Agent in consultation with the Borrower.

“**Related Fund**” in relation to a fund (the “**first fund**”), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

“**Relevant Interbank Market**” means the London interbank market.

“**Relevant Jurisdiction**” means, in relation to an Obligor:

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

“**Repayment Date**” means each date set out in Clause 6.1 (*Repayment of Loan*).

“**Repayment Instalment**” means each scheduled instalment specified under Clause 6.1 (*Repayment of Loan*) for repayment of the Loan.

“**Repeating Representations**” means each of the representations and warranties set out in Clauses 17.1 (*Status*) to 17.6 (*Governing law and enforcement*), 17.10(b) (*No Default*), 17.11 (*No misleading information*), 17.12(a) and (b) (*Financial statements*), 17.15 (*Authorised Signatures*), 17.17 (*Anti-corruption law and Anti-money laundering law*), 17.18 (*Sanctions*), 17.20 (*U.S. Laws*) and 17.21 (*Solvency*).



“**Reports**” means:

- (a) each Legal Due Diligence Report; and
- (b) each Accountants’ and Tax Due Diligence Report.

“**Representative**” means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

“**Resignation Letter**” means a letter substantially in the form set out in Schedule 6 (*Form of Resignation Letter*).

“**Retiring Security Agent**” has the meaning given to that term in Clause 26.1(d) (*Resignation of the Security Agent*).

“**Sanctions**” means any economic or trade sanctions or restrictive measures enacted, administered, imposed or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC), the U.S. Department of State, the United Nations Security Council, the French Republic, and/or the European Union, the Governmental Agencies of or associated with any of the foregoing, including OFAC, the U.S. Department of State, and Her Majesty’s Treasury.

“**Screen Rate**” means, in relation to LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for U.S. dollars and period displayed (before any correction, recalculation or republication by the administrator) on LIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or the appropriate page of such other information or service which publishes that rate from time to time in place of Thomson Reuters. If the rate which is shown on such screen is less than zero, it shall be deemed to be zero. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrower.

“**Secured Liabilities**” means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Secured Party under each Finance Document.

“**Secured Party**” means a Finance Party, a Receiver or any Delegate.

“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Security Agent’s Spot Rate of Exchange**” means the Security Agent’s spot rate of exchange for the purchase of the relevant currency with U.S. dollars in the Hong Kong foreign exchange market at or about 11.00 a.m. London time on a particular day.

“**Security Agreement**” means the security agreement governed by New York law to be executed by (among others) the Borrower in respect of all or substantially all of its assets.

“**Security Property**” means

- (a) the Transaction Security expressed to be granted in favour of the Security Agent as trustee for the Secured Parties and all proceeds of that Transaction Security;



- (b) all obligations expressed to be undertaken by an Obligor to pay amounts in respect of the Secured Liabilities to the Security Agent as trustee for the Secured Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by an Obligor in favour of the Security Agent as trustee for the Secured Parties; and
- (c) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Finance Documents to hold as trustee on trust for the Secured Parties.

“SPA” means the stock purchase agreement to be entered into on or about the date hereof between the Borrower as purchaser and the Vendors as sellers in respect of, among other things, the acquisition of the Target Shares.

“Specified Time” means a time determined in accordance with Schedule 8 (*Timetables*).

Stock Pledge Agreement means the stock pledge agreement governed by New York law to be executed by (among others) the Borrower in respect of all the shares in the Target.

“Subsidiary” means, in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued equity share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

“Target Group” means Target and its respective Subsidiaries.

“Target” means Denali Sourcing Services, Inc., a company incorporated in the State of Delaware, United States whose registered office is at 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801, Delaware, United States.

“Target Shares” means all of the shares in the Target.

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“Tax Deduction” has the meaning given to such term in Clause 12.1 (*Tax definitions*).

“Total Commitments” means at any time the aggregate of the Commitments (being US\$34,000,000 at the date of this Agreement).

“Transaction Documents” means the Finance Documents and the SPA.

“Transaction Security” means the Security created or evidenced or expressed to be created or evidenced under the Transaction Security Documents.

“Transaction Security Document” means:

- (a) the Parent Guarantee;



- (b) the Stock Pledge Agreement;
- (c) the Security Agreement;
- (d) any other document evidencing or creating or expressed to evidence or create Security over any asset to secure any obligation of any Obligor to a Secured Party under the Finance Documents; or
- (e) any other document designated as such by the Security Agent and the Borrower.

“**Transfer Certificate**” means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrower.

“**Transfer Date**” means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

“**Treasury Transactions**” means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

“**Unpaid Sum**” means any sum due and payable but unpaid by an Obligor under the Finance Documents.

“**U.S.**” means the United States of America.

“**Utilisation**” means a utilisation of the Facility.

“**Utilisation Date**” means the date of a Utilisation, being the date on which the Loan is to be made.

“**Utilisation Request**” means a notice substantially in the form set out in Schedule 3 (*Utilisation Request*).

“**Vendors**” means Alpar Kamber, Donald Dougherty and John R. Evans as selling shareholders and Priyadarshan Deshmukh, Peter E. Nero and Alan C. Veeck as selling optionholders of the Target, and Alpar Kamber in his capacity as representative of the selling shareholders and selling optionholders of the Target (each, a “**Vendor**”).

1.2 Construction

- (a) Unless a contrary indication appears, any reference in this Agreement to:
 - (i) any **Administrative Party**, the **Agent**, the **Arranger**, any **Finance Party**, any **Lender**, any **Obligor**, any **Party**, any **Secured Party**, the **Security Agent** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;
 - (ii) **assets** includes present and future properties, revenues and rights of every description;



- (iii) a **Finance Document** or a **Transaction Document** or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (iv) **including** shall be construed as “including without limitation” (and cognate expressions shall be construed similarly);
 - (v) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (vi) a Lender’s **participation** in a Loan or Unpaid Sum includes an amount (in the currency of such Loan or Unpaid Sum) representing the fraction or portion (attributable to such Lender by virtue of the provisions of this Agreement) of the total amount of such Loan or Unpaid Sum and the Lender’s rights under this Agreement in respect thereof;
 - (vii) a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (viii) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (ix) a provision of law is a reference to that provision as amended or re-enacted; and
 - (x) a time of day is a reference to Hong Kong time.
- (b) Section, Clause and Schedule headings are for ease of reference only.
 - (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
 - (d) A Default (other than an Event of Default) is **continuing** if it has not been remedied or waived and an Event of Default is **continuing** if it has not been waived.
 - (e) Where this Agreement specifies an amount in a given currency (the “**specified currency**”) or **its equivalent**, the **equivalent** is a reference to the amount of any other currency which, when converted into the specified currency utilising the Agent’s spot rate of exchange for the purchase of the specified currency with that other currency at or about 11.00 a.m. on the relevant date, is equal to the relevant amount in the specified currency.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce or to enjoy the benefit of any term of this Agreement.



- (b) Subject to Clause 37.3 (*Other Exceptions*) but otherwise notwithstanding any term of any Finance Document, the consent of any third person who is not a Party is not required to rescind or vary this Agreement at any time.
- (c) Any Receiver, Delegate or any person described in Clause 25.8 (*Exclusion of liability*) may, subject to this Clause 1.3 and the Third Parties Act, rely on any Clause of this Agreement which expressly confers rights on it.

2. THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrower a U.S. dollar term loan facility in an aggregate amount equal to the Total Commitments.

2.2 Finance Parties' rights and obligations

- (a) The obligations of the Finance Parties under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of the Finance Parties under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and any part of the Loan or any other amount owed by an Obligor which relates to a Finance Party's participation in the Facility or its role under a Finance Document is a debt owing to that Finance Party by that Obligor.
- (c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

2.3 Obligors' Agent

- (a) Each Obligor (other than the Borrower) by its execution of this Agreement irrevocably appoints the Borrower to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
 - (i) the Borrower on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and
 - (ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Borrower,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.



3. PURPOSE

3.1 Purpose

The Borrower shall apply all amounts borrowed by it under the Facility towards:

- (a) payment to the Vendors of the purchase price for the Target Shares; and
 - (b) payment of the Acquisition Costs (other than periodic fees);
- in each case, as described in the Funds Flow Statement.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

- (a) The Borrower may not deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Part 1 of Schedule 2 (*Conditions*) in form and substance satisfactory to the Agent. The Agent shall notify the Borrower and the Lenders promptly upon being so satisfied.
- (b) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.2 Further conditions precedent

The Lenders will be obliged to comply with Clause 5.4 (*Lenders' participations*) only if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) no Default is continuing or would result from the proposed Loan and none of the circumstances described in Clause 7.2 (*Change of Control*) has occurred; and
- (b) the Repeating Representations to be made by each Obligor are true in all material respects.

4.3 Maximum number of Loans

No more than one Loan shall be outstanding at any given time. The Facility shall be drawn in full in a single drawdown.



5. UTILISATION

5.1 Delivery of a Utilisation Request

The Borrower may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request

- (a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
 - (i) the proposed Utilisation Date is a Business Day within the Availability Period;
 - (ii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
 - (iii) the proposed first Interest Period complies with Clause 9 (*Interest Periods*).
- (b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

The currency specified in a Utilisation Request must be U.S. dollars.

5.4 Lenders' participations

- (a) If the conditions set out in Clause 4 (*Conditions of Utilisation*) and 5.1 (*Delivery of a Utilisation Request*) to 5.3 (*Currency and amount*) above have been met, each Lender shall make its participation in the Loan available by the Utilisation Date through its Facility Office.
- (b) The amount of each Lender's participation in the Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.
- (c) The Agent shall notify each Lender of the amount of the Loan and the amount of its participation in the Loan by the Specified Time.

5.5 Cancellation of Available Facility

The Commitments which, at that time, are unutilised shall be immediately cancelled at 5.00 p.m. on the last day of the Availability Period.



6. REPAYMENT

6.1 Repayment of Loan

- (a) The Borrower must repay the Loan in instalments by repaying on each Repayment Date an amount which reduces the outstanding aggregate Loan by the amount set forth opposite each of the Repayment Dates listed in the table below (in each case as such amount may be reduced by any earlier prepayments pursuant to Clause 7 (*Prepayment and Cancellation*)):

Repayment Date	Repayment Instalment
Date falling 6 months after the first Utilisation Date	US\$ 5,650,000
Date falling 12 months after the first Utilisation Date	US\$ 5,650,000
Date falling 18 months after the first Utilisation Date	US\$ 5,650,000
Date falling 24 months after the first Utilisation Date	US\$ 5,650,000
Date falling 30 months after the first Utilisation Date	US\$ 5,650,000
Final Repayment Date	US\$ 5,750,000

- (b) The Loan must be repaid in full on the Final Repayment Date.

6.2 Reborrowing

The Borrower may not reborrow any part of the Facility which is repaid.

7. PREPAYMENT AND CANCELLATION

7.1 Illegality

If, at any time, it is or will become unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in the Loan or it is or will become unlawful for any Affiliate of a Lender for that Lender to do so:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Borrower, the Commitment of that Lender will be immediately cancelled; and
- (c) to the extent that the Lenders' participation has not been transferred pursuant to paragraph (d) of Clause 7.6 (*Right of prepayment and cancellation in relation to a single Lender*), the Borrower shall repay that Lender's participation in the Loan on the last day of the Interest Period for the Loan occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

7.2 Change of Control

Upon the occurrence of:

- (a) any Change of Control; or
- (b) the sale of any of the shares in the Target by the Borrower to a person who is not a member of the Group whether in a single transaction or a series of related transactions, the Facility will be cancelled and all outstanding Utilisations, together with accrued interest, and all other amounts accrued under the Finance Documents, shall become immediately due and payable.



7.3 Non-completion of the Acquisition

If the Closing Date does not occur by the date falling 1 month from the signing of the SPA (provided that such date may be extended with the consent of the Agent acting on the instructions of the Lenders), the Facility will be cancelled and all outstanding Utilisations, together with accrued interest, and all other amounts accrued under the Finance Documents, shall become immediately due and payable.

7.4 Voluntary cancellation

The Borrower may, if it gives the Agent not less than seven Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, reduce the Available Facility to zero or by such amount (being a minimum amount of US\$5,000,000 and minimum integral multiples of US\$1,000,000) as the Borrower may specify in such notice. Any such reduction under this Clause 7.4 shall reduce the Commitments of the Lenders rateably.

7.5 Voluntary prepayment of the Loan

- (a) The Borrower may, if it gives the Agent not less than seven Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of the Loan (but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of US\$5,000,000 and minimum integral multiples of US\$50,000).
- (b) The Loan may be prepaid only after the last day of the Availability Period (or, if earlier, the day on which the Available Facility is zero).

7.6 Right of prepayment and cancellation in relation to a single Lender

- (a) If:
 - (i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (a) of Clause 12.2 (*Tax gross-up*); or
 - (ii) any Lender claims indemnification from the Borrower under Clause 12.3 (*Tax indemnity*) or Clause 13.1 (*Increased costs*),

the Borrower may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loan or give the Agent notice of its intention to replace that Lender in accordance with paragraph (d) below.

- (b) On receipt of a notice of cancellation referred to in paragraph (a) above, the Commitment of that Lender shall immediately be reduced to zero.
- (c) On the last day of each Interest Period which ends after the Borrower has given notice of cancellation under paragraph (a) above (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall prepay that Lender's participation in the Loan.
- (d) The Borrower may, in the circumstances set out in paragraph (a) above, on 15 Business Days' prior notice to the Agent and that Lender, replace that Lender by requiring that Lender to (and, to the extent permitted by law, that Lender shall) transfer pursuant to Clause 22 (*Changes to the Lenders*)) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity selected by the Borrower which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 22 (*Changes to the Lenders*) for a purchase price in cash equal to the outstanding principal amount of such Lender's participation in the outstanding Loan and all accrued interest (to the extent that the Agent has not given a notification under Clause 22.13 (*Pro rata interest settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents.



- (e) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:
 - (i) the Borrower shall have no right to replace the Agent;
 - (ii) neither the Agent nor any Lender shall have any obligation to find a replacement Lender;
 - (iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and
 - (iv) no Lender shall be obliged to execute a Transfer Certificate unless it is satisfied that it has completed all “know your customer” and other similar procedures that it is required (or deems desirable) to conduct in relation to the transfer to such replacement Lender.
- (f) A Lender shall perform the procedures described in paragraph (e)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (d) above and shall notify the Agent and the Borrower when it is satisfied that it has completed those checks.

7.7 Restrictions

- (a) Any notice of cancellation or prepayment given by any Party under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.
- (c) Any prepayments or cancellations under this Agreement shall reduce the outstanding amount under this Agreement in inverse order of maturity.
- (d) The Borrower may not reborrow any part of the Facility which is prepaid.
- (e) The Borrower shall not repay or prepay all or any part of the Loan or reduce any Commitment except at the times and in the manner expressly provided for in this Agreement.
- (f) If any Commitment is reduced in accordance with this Agreement, the amount of such reduction may not be subsequently reinstated.
- (g) If the Agent receives a notice under this Clause 7 it shall promptly forward a copy of that notice to either the Borrower or the affected Lender, as appropriate.
- (h) If all or part of the Loan is repaid or prepaid and is not available for redrawing, an amount of the Commitments (equal to the amount of the Loan which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this paragraph (h) (save in connection with any repayment or, as the case may be, prepayment under paragraph (c) of Clause 7.1 (*Illegality*) or paragraph (c) of Clause 7.6 (*Right of prepayment and cancellation in relation to a single Lender*)) shall reduce the Commitments of the Lenders rateably.



8. INTEREST

8.1 Calculation of interest

The rate of interest on the Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) LIBOR.

8.2 Default interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the Unpaid Sum from the due date to the date of actual payment (both before and after judgment) at a rate which is, subject to paragraph (b) below, 2% higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted a Loan in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 8.2 shall be immediately payable by the Obligor on demand by the Agent.
- (b) If any Unpaid Sum consists of all or part of the Loan which became due on a day which was not the last day of an Interest Period:
 - (i) the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period; and
 - (ii) the rate of interest applying to the Unpaid Sum during that first Interest Period shall be 2% higher than the rate which would have applied if the Unpaid Sum had not become due.
- (c) Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.

8.3 Notification of rates of interest

The Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.

9. INTEREST PERIODS

9.1 Selection of Interest Periods

- (a) Each Interest Period for the Loan shall be three Months, or any other period agreed between the Borrower and the Agent (acting on the written instructions of all the Lenders).



- (b) An Interest Period for the Loan shall not extend beyond the Final Repayment Date.
- (c) Each Interest Period for the Loan shall start on the Utilisation Date or (if the Loan has already been made) on the last day of the preceding Interest Period.

9.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

10. CHANGES TO THE CALCULATION OF INTEREST

10.1 Unavailability of Screen Rate

- (a) If no Screen Rate is available for LIBOR for the Interest Period of a Loan, the applicable LIBOR shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of that Loan.
- (b) If no Screen Rate is available for LIBOR for:
 - (i) the currency of a Loan; or
 - (ii) the Interest Period of the Loan and it is not possible to calculate the Interpolated Screen Rate,the applicable LIBOR shall be the Reference Bank Rate as of the Specified Time for the currency of that Loan and for a period equal in length to the Interest Period of that Loan.
- (c) If paragraph (b) above applies but no Reference Bank Rate is available for the relevant currency or Interest Period there shall be no LIBOR for that Loan and Clause 10.4 (*Cost of funds*) shall apply to that Loan for that Interest Period.

10.2 Calculation of a Reference Bank Rate

- (a) Subject to paragraph (b) below, if LIBOR is to be determined on the basis of a Reference Bank Rate but a Reference Bank does not supply a quotation by the Specified Time, the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.
- (b) If at or about noon (Hong Kong time) on the Quotation Day none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for the relevant Interest Period.

10.3 Market disruption

If before close of business in London on the Quotation Day for the relevant Interest Period the Agent receives notifications from a Lender or Lenders (whose participations in the Loan exceed 50%) that the cost to it of funding its participation in the Loan from whatever source it may reasonably select would be in excess of LIBOR then Clause 10.4 (*Cost of funds*) shall apply to the Loan for the relevant Interest Period.



10.4 Cost of funds

- (a) If this Clause 10.4 applies, the rate of interest on each Lender's share of the Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event by close of business on the date falling five Business Days after the Quotation Day (or, if earlier, on the date falling three Business Days before the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost to the relevant Lender of funding its participation in the Loan from whatever source it may reasonably select.
- (b) If this Clause 10.4 applies and the Agent or the Borrower so requires, the Agent and the Borrower shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.
- (c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.
- (d) If this Clause 10.4 applies pursuant to Clause 10.3 (*Market disruption*) and:
 - (i) a Lender's Funding Rate is less than LIBOR; or
 - (ii) a Lender does not supply a quotation by the time specified in paragraph (a)(ii) above,the cost to that Lender of funding its participation in that Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be LIBOR.
- (e) If this Clause 10.4 applies pursuant to Clause 10.1 (*Unavailability of Screen Rate*) but any Lender does not supply a quotation by the time specified in paragraph (a)(ii) above the rate of interest shall be calculated on the basis of the quotations of the remaining Lenders.

10.5 Notification to the Borrower

If Clause 10.4 (*Cost of funds*) applies the Agent shall, as soon as is practicable, notify the Borrower.

10.6 Break Costs

- (a) The Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of the Loan or any Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for the Loan or any Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.



11. FEES

11.1 Commitment fee

- (a) The Borrower must pay to the Agent (for the account of each Lender) a commitment fee computed at the rate of 0.45% per annum of each Lender's Available Commitment at close of business (in the principal financial centre of the country of the relevant currency) on each day of the period from and including the date falling 15 days after the date of this Agreement to and including the end of the Availability Period (or, if any such day shall not be a Business Day, at such close of business on the immediately preceding Business Day).
- (b) The accrued commitment fee is payable in arrears:
 - (i) on the last day of each quarter date during the Availability Period;
 - (ii) on the last day of the Availability Period; and
 - (iii) if a Lender's Commitment is reduced to zero before the last day of the Availability Period, on the day on which such reduction to zero becomes effective.

11.2 Arrangement fee

The Borrower shall pay to the Arranger an arrangement fee in the amount and at the times agreed in a Fee Letter.

11.3 Agency fee

The Borrower shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

11.4 Security Agency fee

The Borrower shall pay to the Security Agent (for its own account) a security agency fee in the amount and at the times agreed in a Fee Letter.

12. TAX GROSS-UP AND INDEMNITIES

12.1 Tax definitions

- (a) In this Clause 12:

“**IRS**” means the U.S. Internal Revenue Service.

“**Protected Party**” means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to any sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

“**Tax Credit**” means a credit against, relief or remission for, or repayment of, any Tax.

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.



“**Tax Payment**” means an increased payment made by an Obligor to a Finance Party under Clause 12.2 (*Tax gross-up*) or a payment under Clause 12.3 (*Tax indemnity*).

“**United States person**” has the meaning given to it in Section 7701(a)(30) of the Code.

- (b) Unless a contrary indication appears, in this Clause 12 a reference to “**determines**” or “**determined**” means a determination made in the absolute discretion of the person making the determination acting in good faith.

12.2 Tax gross-up

- (a) All payments to be made by or on behalf of an Obligor to any Finance Party under the Finance Documents shall be made free and clear of and without any Tax Deduction unless a Tax Deduction is required by law, in which case the sum payable by the relevant Obligor (in respect of which such Tax Deduction is required to be made) shall be increased to the extent necessary to ensure that such Finance Party receives a sum net of any deduction or withholding equal to the sum which it would have received had no such Tax Deduction been made or required to be made.
- (b) The Borrower shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrower and that Obligor.
- (c) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (d) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

12.3 Tax indemnity

- (a) The Borrower shall (within five Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.
- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a Finance Party;
 - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which that Finance Party’s Facility Office is located in respect of amounts received or receivable in that jurisdiction, if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or



- (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Clause 12.2 (*Tax gross-up*); or
 - (B) relates to a FATCA Deduction required to be made by a Party.
- (c) A Protected Party intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given rise to the claim, whereupon the Agent shall notify the Borrower thereof.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 12.3, notify the Agent.

12.4 Tax credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

12.5 Stamp taxes

- (a) The Borrower shall:
 - (i) pay all stamp duty, registration and other similar Taxes payable in respect of any Finance Document; and
 - (ii) within five Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to any stamp duty, registration or other similar Tax paid or payable in respect of any Finance Document.
- (b) The Borrower shall pay and within five Business Days of demand, indemnify each Secured Party against any cost, loss or liability that Secured Party incurs in relation to any stamp duty, registration or other similar Tax paid or payable in respect of any Finance Document (save for any such assignment, transfer or sub-participation entered into pursuant to, or in connection with, Clause 14 (*Mitigation by the Lenders*)).

12.6 Indirect tax

- (a) All amounts set out or expressed in a Finance Document to be payable by any Party to a Finance Party shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the Indirect Tax (and such Finance Party must promptly provide an appropriate Indirect Tax invoice to that Party).
- (b) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time reimburse or indemnify the Finance Party against all Indirect Tax incurred by that Finance Party in respect of the costs or expenses to the extent the Finance Party reasonably determines that it is not entitled to credit or repayment in respect of the Indirect Tax.



12.7 FATCA Deduction

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Borrower and the Agent and the Agent shall notify the other Finance Parties.

12.8 FATCA Information

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA;
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.



- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.
- (e) Each Lender shall, within ten Business Days of:
 - (i) where the relevant Lender is a Lender at the date of this Agreement, the date of this Agreement;
 - (ii) where the relevant Lender is a New Lender, the relevant Transfer Date; or
 - (iii) the date of a request from the Agent,supply to the Agent:
 - (A) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or
 - (B) any withholding statement or other document, authorisation or waiver as the Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.
- (f) The Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) above to the Borrower.
- (g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Agent by a Lender pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Agent). The Agent shall provide any such updated withholding certificate, withholding statement, document, authorisation or waiver to the Borrower.
- (h) The Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) or (g) above without further verification. The Agent shall not be liable for any action taken by it under or in connection with paragraphs (e), (f) or (g) above.
- (i) If a Lender fails to supply any withholding certificate, withholding statement, document, authorisation, waiver or information in accordance with paragraph (e) above, or any withholding certificate, withholding statement, document, authorisation, waiver or information provided by a Lender to the Agent is or becomes materially inaccurate or incomplete, then such Lender shall indemnify the Agent, within five Business Days of demand, against any cost, loss, Tax or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (including any related interest and penalties) in acting as Agent under the Finance Documents as a result of such failure.
- (j) If, in accordance with paragraph (f) above, the Agent provides the Borrower with sufficient information to determine its withholding obligations under FATCA, but the Borrower fails to withhold as required by FATCA, the Borrower shall indemnify the Agent, within five Business Days of demand, against any cost, loss, Tax or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (including any related interest and penalties) in acting as Agent under the Finance Documents as a result of such failure.



13. INCREASED COSTS

13.1 Increased costs

(a) Subject to Clause 13.3 (*Exceptions*) the Borrower shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates). The terms “law” and “regulation” in this paragraph (a) shall include any law or regulation concerning capital adequacy, prudential limits, liquidity, reserve assets or Tax.

(b) In this Agreement:

Increased Costs means:

- (a) a reduction in the rate of return from the Facility or on a Finance Party’s (or its Affiliate’s) overall capital (including as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by such Finance Party);
- (b) an additional or increased cost; or
- (c) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to the undertaking, funding or performance by such Finance Party of any of its obligations under any Finance Document or any participation of such Finance Party in the Loan or any Unpaid Sum.

13.2 Increased cost claims

- (a) A Finance Party (other than the Agent) intending to make a claim pursuant to Clause 13.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.
- (b) Each Finance Party (other than the Agent) shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

13.3 Exceptions

- (a) Clause 13.1 (*Increased costs*) does not apply to the extent any Increased Cost is:
 - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) attributable to a FATCA Deduction required to be made by a Party;



- (iii) compensated for by Clause 12.3 (*Tax indemnity*) (or would have been compensated for under Clause 12.3 (*Tax indemnity*) but was not so compensated solely because the exclusions in paragraph (b) of Clause 12.3 (*Tax indemnity*) applied); or
 - (iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.
- (b) In this Clause 13.3, a reference to a “**Tax Deduction**” has the same meaning given to the term in Clause 12.1 (*Tax definitions*).

14. MITIGATION BY THE LENDERS

14.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 12 (*Tax Gross-Up and Indemnities*) or Clause 13 (*Increased Costs*), including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

14.2 Limitation of liability

- (a) The Borrower shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 14.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 14.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

14.3 Conduct of business by the Finance Parties

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

15. OTHER INDEMNITIES

15.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:
 - (i) making or filing a claim or proof against that Obligor; or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,



that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

15.2 Other indemnities

- (a) The Borrower shall (or shall procure that an Obligor will), within five Business Days of demand, indemnify each Secured Party against any cost, loss or liability incurred by that Secured Party as a result of:
 - (i) the occurrence of any Event of Default;
 - (ii) the information produced or approved by any Obligor being or being alleged to be misleading and/or deceptive in any respect;
 - (iii) a failure by an Obligor to pay any amount due under a Finance Document on its due date or in the relevant currency, including without limitation, any cost, loss or liability arising as a result of Clause 28 (*Sharing among the Finance Parties*);
 - (iv) any enquiry, investigation, subpoena (or similar order) or litigation with respect to any Obligor or with respect to the transactions contemplated or financed under this Agreement;
 - (v) funding, or making arrangements to fund, its participation in the Loan requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
 - (vi) the Loan (or part of the Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.
- (b) The Borrower shall (or shall procure that an Obligor will), within three Business Days of demand, promptly indemnify each Finance Party, each Affiliate of a Finance Party and each officer or employee of a Finance Party or its Affiliate, against any cost, loss or liability incurred by that Finance Party or its Affiliate (or officer or employee of that Finance Party or Affiliate) in connection with or arising out of the Acquisition or the funding of the Acquisition (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning the Acquisition), unless such loss or liability is caused by the gross negligence or wilful misconduct of that Finance Party or its Affiliate (or employee or officer of that Finance Party or Affiliate). Any Affiliate or any officer or employee of a Finance Party or its Affiliate may rely on this Clause 15.2 subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.



15.3 Indemnity to the Agent

The Borrower shall (or shall procure that an Obligor will), within three Business Days of demand, promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes is a Default;
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
- (c) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement.

15.4 Obligors' indemnity to the Security Agent

Each Obligor shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them:

- (a) as a result of:
 - (i) any failure by the Borrower to comply with obligations under Clause 16 (*Costs and Expenses*);
 - (ii) the taking, holding, protection or enforcement of the Transaction Security;
 - (iii) the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law; or
 - (iv) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents; or
- (b) which otherwise relates to any of the Charged Property or the performance of the terms of the Finance Documents (otherwise than as a result of its gross negligence or wilful misconduct).

15.5 Priority of indemnity

The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in Clause 15.4 (*Obligors' indemnity to the Security Agent*) and shall have a lien on the Transaction Security and the proceeds of enforcement of the Transaction Security for all moneys payable to it.

16. COSTS AND EXPENSES

16.1 Transaction expenses

The Borrower shall, within seven Business Days of demand, pay the Administrative Parties the amount of all costs and expenses (including legal fees) reasonably incurred by any of them (and, in the case of the Security Agent, any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution, syndication and perfection of:

- (a) this Agreement and any other documents referred to in this Agreement or in a Transaction Security Document; and
- (b) any other Finance Documents executed after the date of this Agreement.



16.2 Amendment costs

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 30.9 (*Change of currency*), the Borrower shall, within seven Business Days of demand, reimburse each of the Agent and the Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent or the Security Agent (and, in the case of the Security Agent, any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

16.3 Security Agent's ongoing costs

- (a) In the event of (i) a Default or (ii) the Security Agent considering it necessary or expedient or (iii) the Security Agent being requested by an Obligor or the Agent (acting on the written instructions of the Majority Lenders) to undertake duties which the Security Agent and the Borrower agree to be of an exceptional nature and/or outside the scope of the normal duties of the Security Agent under the Finance Documents, the Borrower shall pay to the Security Agent any additional remuneration (together with any applicable Indirect Tax) that may be agreed between them.
- (b) If the Security Agent and the Borrower fail to agree upon the nature of the duties or upon any additional remuneration, that dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Borrower or, failing approval, nominated (on the application of the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Borrower) and the determination of any investment bank shall be final and binding upon the parties to this Agreement.

16.4 Enforcement and preservation costs

The Borrower shall, within three Business Days of demand, pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by that Secured Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document and the Transaction Security and any proceedings instituted by or against that Secured Party as a consequence of it entering into a Finance Document, taking or holding the Transaction Security, or enforcing those rights.

17. REPRESENTATIONS

The Borrower makes the representations and warranties set out in this Clause 17 on behalf of itself and each other Obligor to each Finance Party on the date of this Agreement.

17.1 Status

- (a) It is a corporation, duly incorporated and validly existing under the laws of the jurisdiction of incorporation.
- (b) It and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted.

17.2 Binding obligations

Subject to the Legal Reservations, the obligations expressed to be assumed by it in each Finance Document are legal, valid, binding and enforceable obligations.



17.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its and each of its Subsidiaries' constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its Subsidiaries or any of its or any of its Subsidiaries' assets.

17.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

17.5 Validity and admissibility in evidence

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and
- (b) to make the Finance Documents to which it is a party admissible in evidence in its Relevant Jurisdiction, have been obtained or effected and are in full force and effect.
- (c) All Authorisations necessary for it and its Subsidiaries to carry on their business have been obtained or effected and are in full force and effect.

17.6 Governing law and enforcement

Subject to Legal Reservations:

- (a) the choice of governing law of the Finance Documents will be recognised and enforced in its Relevant Jurisdictions; and
- (b) any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its Relevant Jurisdictions.

17.7 Deduction of Tax

It is not required under the law applicable where it is incorporated or resident or at the address specified in this Agreement to make any Tax Deduction from any payment it may make under any Finance Document.

17.8 No filing or stamp taxes

Except for payment of any stamp fees in respect of any Finance Documents brought into India, it is not necessary under the laws of its Relevant Jurisdictions that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.



17.9 Taxation

It is not materially overdue in the filing of any tax returns and it is not overdue in the payment of any amount in respect of Tax (save where such payment is in dispute and has been adequately provided for by the Group) which has had or could reasonably be expected to have a Material Adverse Effect.

17.10 No default

- (a) No Event of Default is continuing or is reasonably likely to result from the making of any Utilisation.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is reasonably likely to have a Material Adverse Effect.

17.11 No misleading information

Save as disclosed in writing to the Agent and the Arranger prior to the date of this Agreement (or, in relation to the Information Package, prior to the date of the Information Package):

- (a) all factual written information (supplied by any member of the Group) was true, complete and accurate in all material respects as at the date it was given and was not misleading in any respect as at the date it was provided or as at the date (if any) at which it is stated.
- (b) any financial projections provided by or on behalf of any member of the Group (whether or not contained in the Information Memorandum) have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.
- (c) nothing has occurred and no information has been given or withheld that results in the information supplied by any member of the Group as being untrue or misleading in any material respect.
- (d) all written information (other than the Information Package) supplied by any member of the Group was true, complete and accurate in all material respects as at the date it was given and was not misleading in any respect.

17.12 Financial statements

- (a) Its financial statements most recently supplied to the Agent (which, at the date of this Agreement, are the Original Financial Statements) were prepared in accordance with GAAP consistently applied save to the extent expressly disclosed in such financial statements or to the Agent in writing to the contrary, prior to the date of this Agreement.
- (b) Its financial statements most recently supplied to the Agent (which, at the date of this Agreement, are the Original Financial Statements) give a true and fair view and represent its financial condition and operations (consolidated in the case of the Borrower) during the relevant financial year save to the extent expressly disclosed to the Agent in writing to the contrary, prior to the date of this Agreement.
- (c) There has been no material adverse change in the business activities, financial condition, credit standing and/or prospects of the Parent Guarantor or the Borrower and/or their Subsidiaries since the date to which the Original Financial Statements were drawn up.



17.13 **Pari passu ranking**

Its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

17.14 **No proceedings pending or threatened**

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect has or have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

17.15 **Authorised Signatures**

Any person specified as its authorised signatory under Schedule 2 (*Conditions*) or paragraph (f) of Clause 18.4 (*Information: miscellaneous*) is authorised to sign Utilisation Requests (in the case of the Borrower only) and other notices on its behalf.

17.16 **Acquisition**

- (a) The SPA contains all the terms of the Acquisition.
- (b) There is no disclosure made in the Disclosure Schedules or any other disclosure to the SPA which has or may have a material adverse effect on any of the information, opinions, intentions, forecasts and projections contained or referred to in the Information Package.
- (c) To the best of its knowledge no representation or warranty (as qualified by the Disclosure Schedules) given by any party to the SPA is untrue or misleading in any material respect.

17.17 **Anti-corruption law and Anti-money laundering law**

Neither it nor any of its Subsidiaries, directors or officers, or, to the best knowledge of the Borrower, any affiliate, agent or employee of it, has engaged in any activity or conduct which would violate any applicable anti-bribery, anti-corruption or anti-money laundering laws, regulations or rules in any applicable jurisdiction and the Borrower has instituted and maintains policies and procedures designed to prevent violation of such laws, regulations and rules.

17.18 **Sanctions**

Neither it nor any of its Subsidiaries, nor any directors, officers or (to the best knowledge of the Borrower), agents, employees of it or any of its Subsidiaries is an individual or entity (a “**Person**”) that is, or is owned or controlled by Persons that are: (i) the target of any Sanctions (a “**Sanctioned Person**”) or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions broadly prohibiting dealings with such government, country, or territory (a “**Sanctioned Country**”).

17.19 **Group Structure Chart**

- (a) Assuming Completion has occurred, the Group Structure Chart delivered to the Agent pursuant to Part 1 of Schedule 2 (*Conditions*) is true, complete and accurate in all material respects and shows the following information:
 - (i) each member of the Group, including current name and company registration number, its jurisdiction of incorporation and/or its jurisdiction of establishment, a list of shareholders and indicating whether a company is not a company with limited liability; and
 - (ii) all minority interests in any member of the Group and any person in which any member of the Group holds shares in its issued share capital or equivalent ownership interest of such person.



17.20 U.S. Laws

No member of the Group is:

- (a) required to be registered as an investment company or subject to regulation under the United States Investment Company Act of 1940; or
- (b) subject to regulation under any United States Federal or State law or regulation that limits its ability to incur or guarantee indebtedness.

As used herein, “**investment company**” has the meaning given to it in the United States Investment Company Act of 1940.

17.21 Solvency

No:

- (a) corporate action, legal proceeding or other procedure, or step described in paragraph (a) of Clause 21.6 (*Insolvency*); or
- (b) creditor’s process described in Clause 21.8 (*Creditors’ process*),

has been taken or, to the knowledge of the Borrower, threatened in relation to a member of the Group and none of the circumstances in Clause 21.6 (*Insolvency*) applies to a member of the Group.

17.22 Repetition

The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on the date of each Utilisation Request, each Utilisation Date and the first day of each Interest Period.

18. INFORMATION UNDERTAKINGS

The undertakings in this Clause 18 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

18.1 Financial statements

- (a) The Borrower shall supply to the Agent in sufficient copies for all the Lenders:
 - (i) as soon as the same become available, but in any event within 180 days after the end of each of its Financial Years, the Borrower’s audited consolidated financial statements for that Financial Year;
 - (ii) as soon as the same become available, but in any event within 60 days after the end of each Financial Quarter other than the Last Financial Quarter of each of its Financial Years, the Borrower’s unaudited consolidated financial statements for that Financial Quarter; and



- (iii) as soon as the same become available, but in any event within 120 days after the end of the Last Financial Quarter of each of its Financial Years, the Borrower's unaudited consolidated financial statements for that Financial Quarter.
- (b) The Borrower shall (or shall procure that the Parent Guarantor shall) supply to the Agent in sufficient copies for all the Lenders:
 - (i) as soon as the same become available, but in any event within 120 days after the end of each of the Financial Years of the Parent Guarantor, the Parent Guarantor's audited consolidated financial statements for that Financial Year; and
 - (ii) as soon as the same become available, but in any event within 60 days after the end of each Financial Quarter other than the Last Financial Quarter of each of the Financial Years of the Parent Guarantor, the Parent Guarantor's unaudited consolidated financial statements for that Financial Quarter.

18.2 Compliance Certificate

The Borrower shall supply to the Agent, with each set of financial statements delivered pursuant to paragraph (i) and (ii) of Clause 18.1 (*Financial statements*), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 19 (*Financial Covenants*) as at the date as at which those financial statements were drawn up.

18.3 Requirements as to financial statements

- (a) Each set of financial statements delivered by the Borrower or the Parent Guarantor pursuant to Clause 18.1 (*Financial statements*) shall be certified by a director and/or an authorised signatory of the relevant company who is a senior executive (i.e. senior vice-president or above) with responsibility for the financial matters of the Borrower or the Parent Guarantor, as the case may be, as fairly representing its financial condition as at the date as at which those financial statements were drawn up.
- (b) Each set of financial statements delivered by the Borrower or the Parent Guarantor pursuant to Clause 18.1 (*Financial statements*) shall give a true and fair view of (if audited) or fairly represent (if unaudited) the financial condition and operations of the relevant company.
- (c) The Borrower shall procure that each set of financial statements delivered pursuant to Clause 18.1 (*Financial statements*) is prepared using GAAP.
- (d) The Borrower shall procure that each set of financial statements of an Obligor delivered pursuant to Clause 18.1 (*Financial statements*) is prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for that Obligor unless, in relation to any set of financial statements, it notifies the Agent that there has been a change in GAAP, the accounting practices or reference periods and its auditors (or, if appropriate, the auditors of the Obligor) deliver to the Agent:
 - (i) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which that Obligor's Original Financial Statements were prepared; and



- (ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 19 (*Financial Covenants*) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and that Obligor's Original Financial Statements.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

18.4 Information: miscellaneous

The Borrower shall supply to the Agent (in sufficient copies for all the Finance Parties, if the Agent so requests):

- (a) all documents dispatched by the Borrower to its creditors generally at the same time as they are despatched;
- (b) promptly upon becoming aware of the relevant claim the details of any material claim which is current, threatened or pending against any Vendor or any other person in respect of the SPA;
- (c) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group, and which might, if adversely determined, have a Material Adverse Effect;
- (d) promptly, such information as the Security Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Transaction Security Documents;
- (e) promptly, such further information regarding the financial condition, business and operations of any member of the Group as any Finance Party (through the Agent) may reasonably request; and
- (f) promptly, notice of any change in authorised signatories of any Obligor who are authorised to sign any notices or statements signed by a director, company secretary or authorised signatory of such Obligor accompanied by specimen signatures of any new authorised signatories.

18.5 Notification of default

- (a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Agent, the Borrower shall supply to the Agent a certificate signed by a director or authorised signatory on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

18.6 Know your customer checks

- (a) Each Obligor shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender (including for any Lender on behalf of any prospective new Lender)) in order for the Agent, such Lender or any prospective new Lender to conduct any **know your customer** or other similar procedures under applicable laws and regulations and internal policies.
- (b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to conduct any **know your customer** or other similar procedures under applicable laws and regulations and internal policies.



19. FINANCIAL COVENANTS

19.1 Financial definitions

In this Agreement:

“**Borrowings**” means, as at any particular time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of the Financial Indebtedness of members of the Group but:

- (a) excluding any indebtedness referred to in paragraph (g) of the definition of Financial Indebtedness and any guarantee or indemnity in respect of that indebtedness;
- (b) excluding any Financial Indebtedness owed by one member of the Group to another member of the Group; and
- (c) including, in the case of finance or capital leases only, the capital element value thereto,

and so that no amount shall be included or excluded more than once.

“**Debt Service Cover**” means the ratio of Debt Service to EBITDA in respect of any Relevant Period.

“**Debt Service**” means, in respect of any Relevant Period, the sum of:

- (a) Interest Expense for that Relevant Period; and
- (b) that part of all Borrowings outstanding at the commencement of that Relevant Period originally scheduled for repayment in that Relevant Period (whether or not paid or repaid when due).

“**EBITDA**” means, in relation to any Relevant Period, the total consolidated operating profit of the Group for that Relevant Period:

- (a) before taking into account:
 - (i) Interest Expense;
 - (ii) Tax;
 - (iii) any share of the profit of any associated company or undertaking, except for dividends received in cash by any member of the Group;
 - (iv) extraordinary and exceptional items;
 - (v) any realised or unrealised exchange losses (including those arising on translation of currency debt) that are not related to the operations of the Group (it being understood that exchange losses related to hedging in the ordinary course of business are to be included in the calculation of EBITDA);



- (vi) any loss against book value arising on a disposal or revaluation of any asset in the ordinary course of trading;
- (vii) to the extent included, any fair value adjustments and amounts written off the value of investments;
- (viii) any restructuring costs in respect of restructurings approved by the Majority Lenders;
- (ix) any amount charged to the profit and loss account for transaction costs and expenses relating to the Acquisition;
- (x) any amortisation of stock based compensation expenses and any fringe benefits and taxes associated therewith to the extent recoverable from employees; and

(b) after adding back all amounts provided for depreciation and amortisation for that Relevant Period,

as determined (except as needed to reflect the terms of this Clause 19) from the consolidated financial statements of the Parent Guarantor and Compliance Certificates delivered under Clause 18.1 (*Financial statements*) and Clause 18.2 (*Compliance Certificate*).

“**Finance Lease**” means any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease.

“**Interest Expense**” means in relation to any Relevant Period, the aggregate amount of interest and any other finance charges (whether or not paid, payable or capitalised) accrued by the Group in that Relevant Period in respect of Borrowings:

- (a) including the interest element of leasing and hire purchase payments;
- (b) including commitment fees, commissions, arrangement fees and guarantee fees;
- (c) including amounts in the nature of interest payable in respect of any shares other than equity share capital;
- (d) excluding any such obligations to any member of the Group;
- (e) excluding any amount charged to the profit and loss account in respect of the Relevant Period for transaction costs and expenses relating to the Acquisition (other than interest payable in respect of the Facility); and
- (f) excluding any amount in the nature of accrued interest, fees or periodic payments or premia owing to any member of the Group on any deposit or bank account,

adjusted (but without double counting) by adding back the net amount payable (or deducting the net amount receivable) by members of the Group in respect of that Relevant Period under any interest or (so far as they relate to interest) currency hedging arrangements, all as determined (except as needed to reflect the terms of this Clause 19) from the consolidated financial statements of the Borrower and Compliance Certificates delivered under Clause 18.1 (*Financial statements*) and Clause 18.2 (*Compliance Certificate*).



“**Net Leverage**” means, in respect of any Relevant Period, the ratio of Total Net Debt on the last day of that Relevant Period to EBITDA in respect of that Relevant Period.

“**New Shareholder Injections**” means the aggregate amount subscribed for by any person (other than a member of the Group) for ordinary shares in the Borrower or for subordinated loan notes or other subordinated debt instruments in the Borrower on terms acceptable to the Majority Lenders.

“**Relevant Period**” means each period of 12 months ending on a Quarter Date.

“**Total Net Debt**” means, at any time, the aggregate amount of all obligations of members of the Group for or in respect of Borrowings at that time but:

- (a) **excluding** any such obligations to any other member of the Group;
 - (b) **excluding** any such obligations in respect of, to the extent they constitute Borrowings, any New Shareholder Injections;
 - (c) **including**, in the case of Finance Leases only, their capitalised value;
 - (d) **deducting** the aggregate amount of Cash held by the Group at that time; and
 - (e) **deducting** Cash Equivalent investments held by the Group,
- and so that no amount shall be included or excluded more than once.

19.2 Financial condition

The Borrower shall (and the Borrower will procure that the Parent Guarantor will) ensure that:

- (a) *Debt Service Cover*: Debt Service Cover in respect of any Relevant Period shall not be less than 1.1:1.
- (b) *Net Leverage*: Net Leverage in respect of any Relevant Period shall not exceed 3:1.

19.3 Financial testing

- (a) The financial covenants set out in Clause 19.2 (*Financial condition*) shall be calculated and interpreted on a consolidated basis in accordance with GAAP applicable to the Original Financial Statements of the Parent Guarantor and (to the extent not expressed in US\$) shall be converted into US\$ on the basis of the exchange rates used in the latest consolidated quarterly financial statements of the Parent Guarantor and tested by reference to each of the financial statements delivered pursuant to paragraph (i) or (ii) of Clause 18.1 (*Financial statements*) and/or each Compliance Certificate delivered pursuant to Clause 18.2 (*Compliance Certificate*).
- (b) The first testing date shall be 31 March 2017.

20. GENERAL UNDERTAKINGS

The undertakings in this Clause 20 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

20.1 Authorisations

- (a) The Borrower shall (and the Borrower will procure that each Obligor will) promptly:
 - (i) obtain, comply with and do all that is necessary to maintain in full force and effect; and
 - (ii) supply certified copies to the Agent of,



any Authorisation required to:

- (A) enable it to perform its obligations under the Finance Documents and the SPA;
- (B) to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document or the SPA; and
- (C) carry on its business where failure to do so has or is reasonably likely to have a Material Adverse Effect.

20.2 Compliance with laws

The Borrower shall (and the Borrower will procure that each Obligor will) comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents.

20.3 Pari passu ranking

The Borrower shall (and the Borrower will procure that each Obligor will) ensure that its payment obligations under the Finance Documents rank and continue to rank at least *pari passu* with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

20.4 The SPA

- (a) The Borrower shall promptly pay all amounts payable to the Vendors under the SPA as and when they become due (except to the extent that any such amounts are being contested in good faith by a member of the Group and where adequate reserves are set aside for any such payment).
- (b) The Borrower shall, (and the Borrower will procure that each other member of the Group will), take all reasonable and practical steps to preserve and enforce its rights (or the rights of any other member of the Group) and pursue any claims and remedies arising under the SPA.

20.5 Other Agreements

The Borrower shall complete the sale and purchase of the assets which are the subject of the Asset Agreement no later than 30 Business Days after the date of this Agreement.

20.6 Negative pledge

In this Clause 20.6, “**Quasi-Security**” means an arrangement or transaction described in paragraph (b) below.

- (a) The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) create or permit to subsist any Security over any of its assets.



- (b) The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will):
 - (i) sell, transfer or otherwise dispose of any of its assets, unless such disposals are in the normal course of business, and on terms whereby they are leased to or re-acquired by an Obligor or any other member of the Group;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms, except for the discounting of bills or notes in the ordinary course of trade;
 - (iii) enter into or permit to subsist any title retention arrangement;
 - (iv) enter into or permit to subsist any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (v) enter into or permit to subsist any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.
- (c) Paragraphs (a) and (b) above do not apply to:
 - (i) any Security or Quasi-Security listed in Schedule 7 (*Existing Security*) except to the extent the principal amount secured by that Security or Quasi-Security exceeds the amount stated in that Schedule;
 - (ii) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
 - (iii) any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by a member of the Group for the purpose of:
 - (A) hedging any risk to which any member of the Group is exposed in its ordinary course of trading; or
 - (B) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only,

excluding, in each case, any Security or Quasi-Security under a credit support arrangement in relation to a hedging transaction;
 - (iv) any lien arising by operation of law and in the ordinary course of trading **provided that** the debt which is secured thereby is paid when due or contested in good faith by appropriate proceedings and properly provisioned;
 - (v) any Security or Quasi-Security created pursuant to any Finance Document;
 - (vi) any Security or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;



- (vii) any Security or Quasi-Security granted in connection with bank guarantees, performance bonds or other similar financial accommodations which are posted by or on behalf of any member of the Group in the ordinary course of its business for the purpose of securing its performance obligations to its customers and/or for the purposes of securing any customs or excise payment obligation; or
- (viii) any Security or Quasi-Security securing indebtedness the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of Security or Quasi-Security given by any member of the Group other than any permitted under paragraphs (i) to (vii) above) does not exceed US\$50,000,000 (or its equivalent in another currency or currencies).

20.7 Disposals

- (a) The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.
- (b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal:
 - (i) of trading stock or cash made by any member of the Group in the ordinary course of trading of the disposing entity;
 - (ii) of any asset by a member of the Group (the “**Disposing Company**”) to another member of the Group (the “**Acquiring Company**”) in the ordinary course of business, provided that if the Disposing Company had given Security over the asset, the prior written consent of the Agent shall be required for such disposal;
 - (iii) of assets (other than shares, businesses or intellectual property) in exchange for other assets comparable or superior as to type, value and quality and provided that the asset received is subject to at least the same level of Transaction Security as the asset replaced (if applicable);
 - (iv) of Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments;
 - (v) of obsolete or redundant vehicles, plant and equipment for cash;
 - (vi) arising as a result of any Security which is permitted under paragraph (c) of Clause 20.6 (*Negative pledge*); or
 - (vii) where the higher of the market value or consideration receivable (when aggregated with the higher of the market value or consideration receivable for any other sale, lease, transfer or other disposal by members of the Group, other than any permitted under paragraphs (i) to (vi) above) does not exceed US\$10,000,000 (or its equivalent in another currency or currencies) in any Financial Year,

provided that none of the above exceptions shall permit any member of the Group to cease to hold a majority shareholding interest in any of its Subsidiaries (without the consent of all the Lenders).



20.8 Arm's length basis

The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) enter into any transaction with any person except on arm's length terms and for full market value save for any Intercompany Loan which is permitted under paragraph (b)(ii) of Clause 20.12 (*Financial Indebtedness*).

20.9 Merger

The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) without the prior written consent of the Agent enter into any amalgamation, demerger, merger or corporate reconstruction, other than any amalgamation, demerger, merger or corporate reconstruction between wholly-owned Subsidiaries of the Parent Guarantor that are not Obligors.

20.10 Change of business

The Borrower shall procure that no substantial change is made to the general nature of the business of the Borrower or the Group (taken as a whole) from that carried on at the date of this Agreement.

20.11 Loans and guarantees

(a) The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) make or allow to subsist any loans, grant any credit or give or allow to remain outstanding any guarantee or indemnity (except as required under any of the Finance Documents) to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person.

(b) Paragraph (a) above does not apply to:

- (i) any trade credit extended by any member of the Group to its customers on normal commercial terms and in the ordinary course of its trading activities;
- (ii) any loans extended by
 - (A) an Obligor to an Obligor;
 - (B) a non-Obligor to a non-Obligor;
 - (C) a non-Obligor to an Obligor,

provided that, in each case, the Borrower would, as at the Quarter Date for which Financial Statements have been most recently delivered to the Agent under Clause 19.2 (*Financial Condition*), have been in pro forma compliance with the financial covenants set out in Clause 19 (*Financial Covenants*) after giving effect to the incurrence of such Financial Indebtedness, assuming for such purposes that such Financial Indebtedness was incurred at the beginning of the Relevant Period to which such Financial Statements related;

(iii) any guarantee granted by the Borrower or any member of the Group entered into to hedge currency or interest rate exposure of, or otherwise in respect of Financial Indebtedness of a member of the Group, which in each case is permitted to be incurred under the terms of the Finance Documents;



- (iv) any performance or payment guarantees given by the pursuant to outsourcing agreements with its customers entered into, in each case, in the ordinary course of its business;
- (v) any loan where all the proceeds of such loan are used to satisfy a payment obligation of an Obligor under the Finance Documents; or
- (vi) any Financial Indebtedness arising under an Inbound Intercompany Loan or an Outbound Intercompany Loan.

20.12 Financial Indebtedness

- (a) The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) incur or permit to remain outstanding any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to:
 - (i) any Financial Indebtedness incurred pursuant to any Finance Documents;
 - (ii) any Financial Indebtedness arising under any loan or guarantee permitted pursuant to Clause 20.11 (*Loans and guarantees*);
 - (iii) any Financial Indebtedness under finance or capital leases of vehicles, plant, equipment or computers, provided that the aggregate capital value of all such items so leased under outstanding leases by members of the Group does not exceed US\$20,000,000 (or its equivalent in other currencies) at any time; or
 - (iv) any Financial Indebtedness incurred provided that, the Borrower would, as at the Quarter Date for which Financial Statements have been most recently delivered to the Agent under Clause 19.2 (*Financial Condition*), be in pro forma compliance with the financial covenants set out in Clause 19 (*Financial Covenants*) after giving effect to the incurrence of such Financial Indebtedness, assuming for such purposes that such Financial Indebtedness was incurred at the beginning of the Relevant Period to which such Financial Statements related.

20.13 Dividends and share redemption

- (a) Except as permitted under paragraph (b) below, the Borrower shall not (and will ensure that no member of the Group will):
 - (i) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);
 - (ii) repay or distribute any dividend or share premium reserve;
 - (iii) pay or allow any member of the Group to pay any management, advisory or other fee to or to the order of any of the shareholders of the Borrower; or
 - (iv) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so.
- (b) Paragraph (a) above does not apply to:
 - (i) the payment of a dividend to the Borrower or any member of the Group, or the making of any payments to a member of the Group to facilitate a share buyback by another member of the Group;
 - (ii) any share buyback by the Parent Guarantor pursuant to the share buyback program, provided that the Group would, as at the Quarter Date for which Financial Statements have been most recently delivered to the Agent under Clause 19.2 (*Financial Condition*), be in pro forma compliance with the financial covenants set out in Clause 19 (*Financial Covenants*) after giving effect to such buyback, assuming for such purposes that such buyback was incurred at the beginning of the Relevant Period to which such Financial Statements related.



20.14 Share capital

- (a) The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) issue any shares except pursuant to:
 - (i) an issue of ordinary shares by the Borrower to the Parent Guarantor paid for in full in cash upon issue and which by their terms are not redeemable and where (A) such shares are of the same class and on the same terms as those initially issued by the Borrower (B) such issue does not lead to a Change of Control and (C) where the newly-issued shares also become subject to the Transaction Security on the same terms; and
 - (ii) an issuance of shares from a member of the Group to another member of the Group or to employees or directors of any member of the Group.

20.15 Treasury Transactions

The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) enter into any Treasury Transaction, other than:

- (a) foreign exchange contracts entered into in the ordinary course of business and not for speculative purposes;
- (b) any Treasury Transaction entered into for the hedging of actual or projected real exposures to interest rate and currency fluctuations which arise in the ordinary course of trading activities of a member of the Group and is not for speculative purposes.

20.16 Insurance

- (a) The Borrower shall (and the Borrower will ensure that each Obligor and each member of the Group will) maintain insurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.
- (b) All insurances must be with reputable independent insurance companies or underwriters.

20.17 Intellectual Property

The Borrower shall (and the Borrower will ensure that each Obligor and each member of the Group will):

- (a) preserve and maintain the subsistence and validity of the Intellectual Property necessary for the business of the relevant Group member;



- (b) use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property;
- (c) make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property in full force and effect and record its interest in that Intellectual Property; and
- (d) not use or permit the Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or imperil the right of any member of the Group to use such property.

20.18 Environmental compliance

The Borrower shall (and the Borrower will ensure that each Obligor and each member of the Group will) comply in all material respects with all Environmental Law, obtain and maintain any Environmental Permits and take all reasonable steps in anticipation of known or expected future changes to or obligations under Environmental Law or any Environmental Permits which, failure to do so, might reasonably be expected to have a Material Adverse Effect.

20.19 Environmental Claims

The Borrower shall (and the Borrower will ensure that each Obligor will) inform the Agent in writing as soon as reasonably practicable upon becoming aware of:

- (a) any Environmental Claim which has been commenced or (to the best of such Obligor’s knowledge and belief) is threatened against any member of the Group; or
- (b) any facts or circumstances which will or might reasonably be expected to result in any Environmental Claim being commenced or threatened against any member of the Group,

in each case where such Environmental Claim might reasonably be expected, if determined against that member of the Group, to have a Material Adverse Effect.

20.20 Anti-corruption law

- (a) The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) directly or indirectly engage in any activity or conduct which would violate any applicable anti-bribery, anti-corruption or anti-money laundering laws, regulations or rules in any applicable jurisdiction .
- (b) The Borrower shall (and the Borrower will ensure that each Obligor and each member of the Group will):
 - (i) conduct its businesses in compliance with applicable anti-corruption laws; and
 - (ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

20.21 Sanctions

The Borrower shall not (and the Borrower will ensure that no member of the Group will), directly or indirectly, use the proceeds of the loan hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or any other Person (as defined in Clause 17.18 (*Sanctions*)), (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, a Sanctioned Person (as defined in Clause 17.18 (*Sanctions*)) or Sanctioned Country (as defined in Clause 17.18 (*Sanctions*)), or (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the loan hereunder, whether as underwriter, advisor, investor, lender, hedge provider, facility or security agent or otherwise).



20.22 Taxation

- (a) The Borrower shall (and the Borrower will ensure that each Obligor and each member of the Group will) pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Agent under Clause 18.1 (*Financial statements*); and
 - (iii) such payment can be lawfully withheld and failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.
- (b) The Borrower shall not (and the Borrower will ensure that no member of the Group will), change its residence for Tax purposes other than with the prior written consent of the Lenders (such consent not to be unreasonably withheld).

20.23 Further assurance

- (a) The Borrower shall (and the Borrower will ensure that each Obligor and each member of the Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
 - (i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law;
 - (ii) to confer on the Security Agent or confer on the Finance Parties Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction Security Documents; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (b) The Borrower shall (and the Borrower will ensure that each Obligor and each member of the Group will) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to the Finance Documents.



20.24 The SPA

The Borrower shall, in respect of the SPA:

- (a) comply with and satisfy (or obtain all requisite waivers from the Vendors in respect of) all the conditions to closing set out in Article VI (*Conditions to Closing*) of the SPA within the deadlines specified in the SPA; and
- (b) not grant a waiver, consent, approval or amend any provision of the SPA without the prior written consent of the Lenders, other than (A) any waiver, consent, approval or amendment that is minor or technical or not materially prejudicial to the interests of the Lenders or (B) any waiver, consent, approval or amendment granted or executed or agreed to be granted or executed prior to the date of this Agreement.

20.25 Conditions subsequent

The Borrower must ensure that:

- (a) each of the documents and evidences listed in Part 2 of Schedule 2 (*Conditions*) are delivered to the Agent in form and substance satisfactory to the Agent by no later than the dates specified in Part 2 of Schedule 2 (*Conditions*) for delivery of that document or evidence; and
- (b) By no later than the timelines specified in Part 2 of Schedule 2 (*Conditions*), evidence of the Transaction Security Documents is delivered to the Security Agent.

21. EVENTS OF DEFAULT

Each of the events or circumstances set out in the following subclauses of this Clause 21 (other than Clause 21.17 (*Acceleration*)) is an Event of Default.

21.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by:
 - (i) administrative or technical error; or
 - (ii) a Disruption Event; and
- (b) payment is made within three Business Days of its due date.

21.2 Financial covenants and other obligations

Any requirement of Clause 19 (*Financial Covenants*) is not satisfied.

21.3 Other obligations

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 21.1 (*Non-payment*) and Clause 21.2 (*Financial covenants and other obligations*)).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 15 Business Days of the earlier of (i) the Agent giving notice to the Borrower and (ii) any Obligor becoming aware of the failure to comply.

**21.4 Misrepresentation**

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

21.5 Cross default

- (a) Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), whether or not such Financial Indebtedness is accelerated by the creditor(s) in respect of such Financial Indebtedness.
- (c) Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group (as applicable) as a result of an event of default (however described).
- (d) Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).
- (e) No Event of Default will occur under this Clause 21.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than US\$10,000,000 (or its equivalent in any other currency or currencies).

21.6 Insolvency

- (a) A member of the Group is, or is presumed or deemed to be, unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of any member of the Group is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of any member of the Group.

21.7 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, judicial management, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group, other than a solvent liquidation or reorganisation of any member of the Group which is not an Obligor;



- (ii) a composition or arrangement with any creditor of any member of the Group, or an assignment for the benefit of creditors generally of any member of the Group, or a class of such creditors;
 - (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not an Obligor), receiver, administrator, judicial manager, administrative receiver, compulsory manager, provisional supervisor or other similar officer in respect of any member of the Group or any of its assets; or
 - (iv) enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction.
- (b) Paragraph (a)(i) above shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 45 days of commencement.

21.8 Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of a member of the Group having an aggregate value of US\$10,000,000 and is not discharged within 45 days.

21.9 Unlawfulness

- (a) It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective.
- (b) Any obligation or obligations of any Obligor under any Finance Documents are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
- (c) Any Finance Document ceases to be in full force and effect or any Transaction Security ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.

21.10 Repudiation and rescission of agreements

- (a) An Obligor, or any other relevant party, rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.
- (b) Any party to the SPA rescinds or purports to rescind or repudiates or purports to repudiate the SPA in whole or in part where to do so has or is, in the reasonable opinion of the Majority Lenders, likely to have a material adverse effect on the interests of the Lenders under the Finance Documents.

21.11 Audit qualification

The Borrower's auditors qualify the audited annual consolidated financial statements of the Borrower.



21.12 Expropriation

Any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any member of the Group or any of its assets, which would have or be reasonably likely to have a Material Adverse Effect.

21.13 Litigation

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened in relation to the Transaction Documents or the transactions contemplated in the Transaction Documents or against any member of the Group or its assets or its assets which have or are reasonably likely to be adversely determined and if so adversely determined, would have or be reasonably likely to have a Material Adverse Effect.

21.14 Cessation of business

The Borrower suspends or ceases to carry on all or a material part of its business or of the business of the Group taken as a whole.

21.15 Material adverse change

Any event or circumstance occurs which the Majority Lenders reasonably believe has or is reasonably likely to have a Material Adverse Effect.

21.16 United States Bankruptcy Laws

(a) In this Clause 21.16:

“**U.S. Bankruptcy Law**” means the United States Bankruptcy Code or any other United States Federal or State bankruptcy, insolvency or similar law.

“**U.S. Debtor**” means an Obligor that is (i) incorporated or organized under the laws of the United States of America or any State of the United States of America (including the District of Columbia) or that has a place of business or property in the United States of America or (ii) an individual.

(b) Any of the following occurs in respect of a U.S. Debtor:

- (i) it makes a general assignment for the benefit of creditors;
- (ii) it commences a voluntary case or proceeding under any U.S. Bankruptcy Law; or
- (iii) an involuntary case under any U.S. Bankruptcy Law is commenced against it and is not controverted within 20 days or is not dismissed or stayed within 60 days after commencement of the case; or
- (iv) an order for relief or other order approving any case or proceeding is entered under any U.S. Bankruptcy Law.



21.17 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower:

- (a) without prejudice to the participations of any Lenders in any portion of the Loan which is then outstanding:
 - (i) cancel the Commitments (and reduce them to zero), whereupon they shall immediately be cancelled (and reduced to zero); or
 - (ii) cancel any part of any Commitment (and reduce such Commitment accordingly), whereupon the relevant part shall immediately be cancelled (and the relevant Commitment shall be immediately reduced accordingly); and/or
- (b) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
- (c) declare that all or part of the Loan be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the written instructions of the Majority Lenders; and/or
- (d) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents,

provided that, if an Event of Default described in Clause 21.16 (*United States Bankruptcy Laws*) occurs, the Total Commitments will, if not already cancelled under this Agreement, be immediately and automatically cancelled and all amounts outstanding under the Finance Documents will be immediately and automatically due and payable, without the requirement of notice or any other formality.

22. CHANGES TO THE LENDERS

22.1 Assignments and transfers by the Lenders

Subject to this Clause 22, a Lender (the “**Existing Lender**”) may, without the consent of the Borrower:

- (a) assign any of its rights; or
- (b) transfer by novation any of its rights and obligations,

under the Finance Documents to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the “**New Lender**”), provided that the Borrower receives not less than three Business Days prior notice of such assignment or transfer and the identity of the New Lender.

22.2 Conditions of assignment or transfer

- (a) A transfer will be effective only if the procedure set out in Clause 22.5 (*Procedure for transfer*) is complied with.
- (b) An assignment will be effective only if the procedure and conditions set out in Clause 22.6 (*Procedure for assignment*) are complied with.
- (c) If:
 - (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
 - (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 12 (*Tax Gross-Up and Indemnities*) or Clause 13 (*Increased Costs*),



then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

22.3 Assignment or transfer fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of US\$3,500.

22.4 Limitation of responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
- (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,
- and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender, the other Finance Parties and the Secured Parties that it:
- (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
- (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 22; or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.



22.5 Procedure for transfer

- (a) Subject to the conditions set out in Clause 22.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender and the Agent has received the assignment or transfer fee (as applicable) pursuant to Clause 22.3 (*Assignment or transfer fee*) in full. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.
- (b) The Agent shall not be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender unless it is satisfied that it has completed all **know your customer** and other similar checks or procedures that it is required (or deems desirable) to conduct in relation to the transfer to such New Lender. The Agent shall not be liable to any party for any damages, costs or losses whatsoever for any delay or failure to execute a Transfer Certificate as a result of such know your customer or other similar procedures.
- (c) Subject to Clause 22.13 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another shall be cancelled (being the “**Discharged Rights and Obligations**”);
 - (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
 - (iii) the Agent, the Arranger, the Security Agent, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arranger, the Security Agent and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
 - (iv) the New Lender shall become a Party as a “Lender”.
- (d) The procedure set out in this Clause 22.5 shall not apply to any right or obligation under any Finance Document (other than this Agreement) if and to the extent its terms, or any laws or regulations applicable thereto, provide for or require a different means of transfer of such right or obligation or prohibit or restrict any transfer of such right or obligation, unless such prohibition or restriction shall not be applicable to the relevant transfer or each condition of any applicable restriction shall have been satisfied.



22.6 Procedure for assignment

- (a) Subject to the conditions set out in paragraph (d) below and in Clause 22.2 (*Conditions of assignment or transfer*), an assignment may be effected in accordance with paragraph (b) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (d)(ii) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.
- (b) Subject to Clause 22.13 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;
 - (ii) the Existing Lender will be released by each Obligor and the other Finance Parties from the obligations owed by it (the “**Relevant Obligations**”) and expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and
 - (iii) the New Lender shall become a Party as a “Lender” and will be bound by obligations equivalent to the Relevant Obligations.
- (c) Lenders may utilise procedures other than those set out in this Clause 22.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 22.5 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in paragraph (d) below.
- (d) An assignment (whether pursuant to an Assignment Agreement or paragraph (c) above) will only be effective on:
 - (i) receipt by the Agent (whether in an Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties and the Secured Parties as it would have been under if it was an Original Lender; and
 - (ii) performance by the Agent of all necessary **know your customer** or other similar checks or procedures under all applicable laws and regulations and internal policies in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender. The Agent shall not be obliged to execute an Assignment Agreement delivered to it by an Existing Lender and the New Lender or any document delivered to it pursuant to paragraph (c) above unless it is satisfied that it has completed all **know your customer** and other similar procedures that it is required (or deems desirable) to conduct in relation to the assignment to such New Lender. The Agent shall not be liable to any party for any damages, costs or losses whatsoever for any delay or failure to execute an Assignment Agreement as a result of such know your customer or other similar procedures.
- (e) The procedure set out in this Clause 22.6 shall not apply to any right or obligation under any Finance Document (other than this Agreement) if and to the extent its terms, or any laws or regulations applicable thereto, provide for or require a different means of assignment of such right or release or assumption of such obligation or prohibit or restrict any assignment of such right or release or assumption of such obligation, unless such prohibition or restriction shall not be applicable to the relevant assignment, release or assumption or each condition of any applicable restriction shall have been satisfied.



22.7 Copy of Transfer Certificate or Assignment Agreement to Borrower

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to the Borrower a copy of that Transfer Certificate or Assignment Agreement.

22.8 Maintenance of Register

The Agent, acting for these purposes solely as an agent of the Borrower, will maintain (and make available upon reasonable prior notice at reasonable times for inspection by the Borrower and each Lender) a register for the recordation of, and will record, the names and addresses of the Lenders and the respective amounts of the Commitments and participations in the Loan of each Lender from time to time (the “**Register**”). Absent manifest error, the Register shall be conclusive and binding for all purposes, and the Borrower, the Agent and the Lenders shall treat each person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement.

22.9 Existing consents and waivers

A New Lender shall be bound by any consent, waiver, election or decision given or made by the relevant Existing Lender under or pursuant to any Finance Document prior to the coming into effect of the relevant assignment or transfer to such New Lender.

22.10 Exclusion of Agent’s liability

In relation to any assignment or transfer pursuant to this Clause 22, each Party acknowledges and agrees that the Agent shall not be obliged to enquire as to the accuracy of any representation or warranty made by a New Lender in respect of its eligibility as a Lender.

22.11 Assignments and transfers to Obligor group

A Lender may not assign or transfer to any Obligor or any Affiliate of any Obligor any of such Lender’s rights or obligations under any Finance Document, except with the prior written consent of all the Lenders.

22.12 Security over Lenders’ rights

- (a) In addition to the other rights provided to Lenders under this Clause 22, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:
 - (i) any charge, assignment or other Security to secure obligations to a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) including, without limitation, any assignment of rights to a special purpose vehicle where Security over securities issued by such special purpose vehicle is to be created in favour of a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank); and



- (ii) in the case of any Lender which is a fund, any charge, pledge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,
except that no such charge, assignment, pledge or Security shall:
 - (A) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or
 - (B) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.
- (b) The limitations on assignments or transfers by a Lender set out in any Finance Document shall not apply to the creation of Security pursuant to paragraph (a) above.
- (c) The limitations and provisions referred to in paragraph (b) above shall further not apply to any assignment or transfer of rights under the Finance Documents or of the securities issued by the special purpose vehicle, made by a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) to a third party in connection with the enforcement of Security created pursuant to paragraph (a) above.
- (d) Any Lender may disclose such Confidential Information as that Lender shall consider appropriate to a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) to (or through) whom it creates Security pursuant to paragraph (a) above, and any federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) may disclose such Confidential Information to a third party to whom it assigns or transfers (or may potentially assign or transfer) rights under the Finance Documents or the securities issued by the special purpose vehicle in connection with the enforcement of such Security

22.13 Pro rata interest settlement

If the Agent has notified the Lenders that it is able to distribute interest payments on a “pro rata basis” to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 22.5 (*Procedure for transfer*) or any assignment pursuant to Clause 22.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

- (a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (“**Accrued Amounts**”) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six monthly intervals after the first day of that Interest Period); and



- (b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:
 - (i) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and
 - (ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 22.13, have been payable to it on that date, but after deduction of the Accrued Amounts.

23. CHANGES TO THE OBLIGORS

23.1 Assignments and transfers by Obligors

An Obligor may not assign or transfer any of its rights or obligations under any Finance Document, except with the prior written consent of all the Lenders.

23.2 Resignation of the Parent Guarantor

- (a) The Borrower may request that the Parent Guarantor ceases to be a Guarantor by delivering to the Agent a Resignation Letter.
- (b) The Agent shall accept a Resignation Letter and notify the Borrower and the Lenders of its acceptance if:
 - (i) no Default is continuing or would result from the acceptance of the Resignation Letter (and the Borrower has confirmed this is the case); and
 - (ii) all the Lenders have consented to the Borrower's request.

23.3 Resignation and release of security on disposal

- (a) In this Clause:
 - (i) “**Relevant Obligor**” means an Obligor which is the subject of a Third Party Disposal and any Subsidiary of that Obligor; and
 - (ii) “**Third Party Disposal**” means the disposal of an Obligor to a person who is not a member of the Group where that disposal is permitted under Clause 20.7 (*Disposals*) or made with the approval of all of the Lenders (and the Borrower has confirmed this is the case).
- (b) If the Parent Guarantor is or is proposed to be the subject of a Third Party Disposal then:
 - (i) where the Parent Guarantor created Transaction Security over any of its assets or business in favour of the Security Agent, or Transaction Security in favour of the Security Agent was created over the shares (or equivalent) of the Parent Guarantor, the Security Agent may, at the cost and request of the Borrower, release those assets, business or shares (or equivalent) and issue certificates of non-crystallisation;
 - (ii) if the asset which is disposed of consists of shares in the capital of an Obligor, the Security Agent may, at the cost and request of the Borrower, release:
 - (A) any Relevant Obligor from all or any part of its Secured Liabilities; and
 - (B) any Security granted by a Relevant Obligor over any of its assets pursuant to the Transaction Security Documents;



- (iii) the resignation of the Parent Guarantor and related release of Transaction Security referred to in paragraphs (i) and (ii) above shall not become effective until the date of that disposal; and
- (iv) if the disposal of the Parent Guarantor is not made the related release of Transaction Security referred to in paragraphs (i) and (ii) above shall have no effect and the obligations of the Parent Guarantor and the Transaction Security created or intended to be created by or over the Parent Guarantor shall continue in such force and effect as if that release had not been effected.

24. ROLE OF THE ADMINISTRATIVE PARTIES

24.1 Appointment of the Agent

- (a) Each of the other Finance Parties appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each of the other Finance Parties authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

24.2 Duties of the Agent

- (a) Subject to paragraph (b) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (b) Without prejudice to Clause 22.7 (*Copy of Transfer Certificate or Assignment Agreement to Borrower*), paragraph (a) above shall not apply to any Transfer Certificate or to any Assignment Agreement.
- (c) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (e) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than to any Administrative Party) under this Agreement it shall promptly notify the other Finance Parties.
- (f) The Agent shall have only those duties, obligations and responsibilities expressly specified under the Finance Documents.
- (g) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.



24.3 Role of the Arranger

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

24.4 No fiduciary duties

- (a) Nothing in any Finance Document constitutes any Administrative Party as a trustee or fiduciary of any other person.
- (b) No Administrative Party shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

24.5 Business with the Group

Any Administrative Party may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

24.6 Rights and discretions of the Agent

- (a) The Agent may rely on:
 - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised and shall have no duty to verify any signature on any document;
 - (ii) any statement purportedly made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify; and
 - (iii) a certificate from any person
 - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
 - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing, as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
 - (i) any instructions received by it from the Majority Lenders, any Lender or any group of Lenders are duly given in accordance with the terms of the Finance Documents;
 - (ii) unless it has received notice of revocation, those instructions have not been revoked;
 - (iii) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 21.1 (*Non-payment*));
 - (iv) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and
 - (v) any notice or request made by the Borrower is made on behalf of and with the consent and knowledge of all the Obligors.



- (c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be necessary.
- (e) The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (f) The Agent may act in relation to the Finance Documents through its personnel and agents.
- (g) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (h) The Agent shall not be bound to enquire:
 - (i) whether or not any Default has occurred;
 - (ii) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
 - (iii) whether any other event specified in any Finance Document has occurred.
- (i) Notwithstanding any other provision of any Finance Document to the contrary, no Administrative Party is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (j) Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

24.7 Majority Lenders' instructions

- (a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion and perform any duties, obligations authorities vested in it as Agent in accordance with any written instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion or performing any duties, obligations and authorities vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.



- (b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties other than the Security Agent.
- (c) The Agent may refrain from acting in accordance with the written instructions of the Majority Lenders (or, if appropriate, the Lenders) or under paragraph (d) below until it has received such security as it may require for any cost, loss or liability (together with any associated Indirect Tax) which it may incur in complying with the instructions.
- (d) In the absence of written instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.
- (e) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion. The Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
- (f) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.
- (g) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (g) shall not apply to any legal or arbitration proceedings relating to the perfection, preservation or protection of rights under the Transaction Security Documents or enforcement of any Transaction Security or Transaction Security Documents.

24.8 Responsibility for documentation

No Administrative Party:

- (a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by any Administrative Party, an Obligor or any other person given in or in connection with any Finance Document or the Information Package; or
- (b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document or the Transaction Security; or
- (c) is responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.



24.9 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent), the Agent shall not be liable for any cost, loss or liability incurred by any Party as a consequence of:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct;
 - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document, other than by reason of its gross negligence or wilful misconduct; or
 - (iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever but not including any claim based on the fraud of the Agent arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control; or
 - (B) the general risks of investment in, or the holding of assets in, any jurisdiction, including (in each case) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.
- (b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause 24 subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige any Administrative Party to conduct:
 - (i) any “know your customer” or other procedures in relation to any person; or
 - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender,



on behalf of any Lender and each Lender confirms to each Administrative Party that it is solely responsible for any such procedures or check it is required to conduct and that it shall not rely on any statement in relation to such procedures or check made by any Administrative Party.

- (e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's liability, any liability of the Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.
- (f) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's or the Security Agent's liability, amounts received by the Agent or the Security Agent pursuant to the terms of the Finance Documents shall not be held as client money and shall not be interest-bearing.

24.10 Lenders' indemnity to the Agent

- (a) Each Lender shall, in accordance with paragraph (b) below, indemnify the Agent, within three Business Days of demand, against any cost, loss or liability incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).
- (b) The proportion of such cost, loss or liability to be borne by each Lender shall be:
 - (i) if the Loan is outstanding, the proportion borne by (A) the sum of its participation in the Loan then outstanding to (B) the aggregate amount of the Loan;
 - (ii) if there is no Loan then outstanding and the Available Facility is then greater than zero, the proportion borne by (A) its Available Commitment to (B) the Available Facility; or
 - (iii) if there is no Loan then outstanding and the Available Facility is then zero:
 - (A) if the Available Facility became zero after the Loan ceased to be outstanding, the proportion borne by (I) its Available Commitment to (II) the Available Facility immediately before the Available Facility became zero; or
 - (B) if the Loan ceased to be outstanding after the Available Facility became zero, the proportion borne by (I) the sum of its participation in the Loan outstanding immediately before the Loan ceased to be outstanding to (II) the aggregate amount of the Loan.

24.11 Resignation of the Agent

- (a) The Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrower.



- (b) Alternatively the Agent may resign by giving notice to the other Finance Parties and the Borrower, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 30 days after notice of resignation was given, the retiring Agent (after consultation with the Borrower) may appoint a successor Agent (acting through an office in Hong Kong).
- (d) The retiring Agent shall make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents. The Borrower shall, within three Business Days of demand, reimburse the retiring Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making availing such documents and records and providing such assistance.
- (e) The Agent's resignation notice shall take effect only upon the appointment of a successor.
- (f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 24. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (g) After consultation with the Borrower, the Majority Lenders may, by notice to the Agent, require it to resign in accordance with paragraph (b) above. In this event, the Agent shall resign in accordance with paragraph (b) above.
- (h) The Agent shall resign in accordance with paragraph (b) above and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:
- (i) the Agent fails to respond to a request under Clause 12.8 (*FATCA Information*) and the Borrower or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Agent pursuant to Clause 12.8 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Agent notifies the Borrower and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,

and (in each case) the Borrower or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Borrower or that Lender, by notice to the Agent, requires it to resign.



24.12 Replacement of the Agent

- (a) After consultation with the Borrower, the Majority Lenders may, by giving 30 days' notice to the Agent replace the Agent by appointing a successor Agent.
- (b) The retiring Agent shall, at the expense of the Lenders, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of Clause 15.3 (*Indemnity to the Agent*) and this Clause 24 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

24.13 Confidentiality

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate legal person from any other of its branches, divisions or departments.
- (b) If information is received by another branch, division or department of the legal person which is the Agent, it may be treated as confidential to that branch, division or department and the Agent shall not be deemed to have notice of it.
- (c) The Agent shall not be obliged to disclose to any Finance Party any information supplied to it by the Borrower or any Affiliates of the Borrower on a confidential basis and for the purpose of evaluating whether any waiver or amendment is or may be required or desirable in relation to any Finance Document.

24.14 Relationship with the other Finance Parties

- (a) Subject to Clause 22.13 (*Pro rata interest settlement*) and Clause 30.2 (*Distributions by the Agent*), the Agent may treat each Lender as a Lender entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.
- (b) Each Lender shall supply the Agent with any information that the Security Agent may reasonably specify (through the Agent) as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent. Each Lender shall deal with the Security Agent exclusively through the Agent.
- (c) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 33 (*Notices*)) corporate electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute corporate email address, address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 33.2 (*Addresses*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.



24.15 Credit appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to each Administrative Party that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Transaction Security, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (d) the adequacy, accuracy and/or completeness of the Information Package, the Reports and any other information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

24.16 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

24.17 Reliance and engagement letters

Each Finance Party and Secured Party confirms that each of the Arranger and the Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Arranger or Agent) the terms of any reliance letter or engagement letters relating to the Reports or any reports or letters provided by accountants in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those Reports, reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.



24.18 Agent's management time

Any amount payable to the Agent under Clause 15.3 (*Indemnity to the Agent*), Clause 16 (*Costs and Expenses*) and Clause 24.10 (*Lenders' indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Borrower and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 11 (*Fees*).

24.19 Role of Reference Banks

- (a) No Reference Bank is under any obligation to provide a quotation or any other information to the Agent.
- (b) No Reference Bank will be liable for any action taken by it under or in connection with any Finance Document, or for any Reference Bank Quotation, unless directly caused by its gross negligence or wilful misconduct.
- (c) No Party (other than the relevant Reference Bank) may take any proceedings against any officer, employee or agent of any Reference Bank in respect of any claim it might have against that Reference Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document, or to any Reference Bank Quotation, and any officer, employee or agent of each Reference Bank may rely on this Clause 24.19 subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

24.20 Third party Reference Banks

A Reference Bank which is not a Party may rely on Clause 24.19 (*Role of Reference Banks*), Clause 37.3 (*Other exceptions*) subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

25. THE SECURITY AGENT

25.1 Trust

- (a) The Security Agent declares that it shall hold the Security Property on trust or as agent for the Secured Parties on the terms contained in this Agreement.
- (b) Each of the parties to this Agreement agrees that the Security Agent shall have only those duties, obligations and responsibilities expressly specified in this Agreement or in the Transaction Security Documents to which the Security Agent is expressed to be a party (and no others shall be implied).

25.2 No independent power

The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any rights or powers arising under the Transaction Security Documents except through the Security Agent.

25.3 Instructions to Security Agent and exercise of discretion

- (a) Subject to paragraphs (d) and (e) below, the Security Agent shall act in accordance with any instructions given to it by Agent (acting on the written instructions of the Majority Lenders) or, if so instructed by the Agent (acting on the written instructions of the Majority Lenders), refrain from exercising any right, power, authority or discretion vested in it as Security Agent and shall be entitled to assume that (i) any instructions received by it from the Agent, the Lenders or the Majority Lenders are duly given in accordance with the terms of the Finance Documents and (ii) unless it has received actual notice of revocation, that those instructions or directions have not been revoked.



- (b) The Security Agent shall be entitled to request instructions, or clarification of any direction, from the Agent (acting on the written instructions of the Majority Lenders) or the Majority Lenders as to whether, and in what manner, it should exercise or refrain from exercising any rights, powers, authorities and discretions and the Security Agent may refrain from acting unless and until those instructions or clarification are received by it.
- (c) Any instructions given to the Security Agent by Agent (acting on the written instructions of the Majority Lenders) shall override any conflicting instructions given by any other Parties.
- (d) Paragraph (a) above shall not apply:
 - (i) where a contrary indication appears in this Agreement;
 - (ii) where this Agreement requires the Security Agent to act in a specified manner or to take a specified action;
 - (iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the Secured Parties including, without limitation, the provisions set out in Clause 25.5 (*Security Agent's discretions*) to Clause 25.19 (*Trustee division separate*);
 - (iv) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:
 - (A) Clause 23.3 (*Resignation and release of security on disposal*);
 - (B) Clause 27.1 (*Order of application*);
 - (C) Clause 27.2 (*Prospective liabilities*); and
 - (D) Clause 27.5 (*Permitted Deductions*).
- (e) If giving effect to instructions given by the Agent (acting on the written instructions of the Majority Lenders) would (in the Security Agent's opinion) have an effect equivalent to an amendment or waiver referred to in Clause 37.2 (*All lender matters*) or Clause 28.5 (*Exceptions*), the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Security Agent) whose consent would have been required in respect of that amendment or waiver.
- (f) In exercising any discretion to exercise a right, power or authority under this Agreement where either:
 - (i) it has not received any instructions from the Agent (acting on the written instructions of the Majority Lenders) as to the exercise of that discretion; or
 - (ii) the exercise of that discretion is subject to paragraph (d)(iv) above,



the Security Agent shall do so having regard to the interests of all the Secured Parties.

25.4 Security Agent's Actions

Without prejudice to the provisions of Clause 25.3 (*Instructions to Security Agent and exercise of discretion*), the Security Agent may (but shall not be obliged to), in the absence of any instructions to the contrary, take such action in the exercise of any of its powers and duties under the Finance Documents as it considers in its discretion to be appropriate.

25.5 Security Agent's discretions

The Security Agent may:

- (a) assume (unless it has received actual notice to the contrary from the Agent) that (i) no Default has occurred and no Obligor is in breach of or default under its obligations under any of the Finance Documents and (ii) any right, power, authority or discretion vested by any Finance Document in any person has not been exercised;
- (b) if it receives any instructions or directions to take any action in relation to the Transaction Security, assume that all applicable conditions under the Finance Documents for taking that action have been satisfied;
- (c) engage, pay for and rely on the advice or services of any legal advisers, accountants, tax advisers, surveyors or other experts (whether obtained by the Security Agent or by any other Secured Party) whose advice or services may at any time seem necessary, expedient or desirable;
- (d) rely upon any communication or document believed by it to be genuine and, as to any matters of fact which might reasonably be expected to be within the knowledge of a Secured Party, or an Obligor, upon a certificate signed by or on behalf of that person; and
- (e) refrain from acting in accordance with the instructions of any Party (including bringing any legal action or proceeding arising out of or in connection with the Finance Documents) until it has received any indemnification and/or security that it may in its discretion require (whether by way of payment in advance or otherwise) for all costs, losses and liabilities which it may incur in so acting.

25.6 Security Agent's obligations

The Security Agent shall promptly:

- (a) copy to the Agent the contents of any notice or document received by it from any Obligor under any Finance Document;
- (b) forward to a Party the original or a copy of any document which is delivered to the Security Agent for that Party by any other Party **provided that**, except where a Finance Document expressly provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party; and
- (c) inform the Agent of the occurrence of any Default or any default by an Obligor in the due performance of or compliance with its obligations under any Finance Document of which the Security Agent has received notice from any other Party.



25.7 Excluded obligations

Notwithstanding anything to the contrary expressed or implied in the Finance Documents, the Security Agent shall not:

- (a) be bound to enquire as to (i) whether or not any Default has occurred or (ii) the performance, default or any breach by an Obligor of its obligations under any of the Finance Documents;
- (b) be bound to account to any other Party for any sum or the profit element of any sum received by it for its own account;
- (c) be bound to disclose to any other person (including but not limited to any Secured Party) (i) any confidential information or (ii) any other information if disclosure would, or might in its reasonable opinion, constitute a breach of any law or be a breach of fiduciary duty; or
- (d) have or be deemed to have any relationship of trust or agency with, any Obligor.

25.8 Exclusion of liability

None of the Security Agent, any Receiver or any Delegate shall accept responsibility or be liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security Agent or any other person in or in connection with any Finance Document or the transactions contemplated in the Finance Documents, or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Security Property;
- (c) any losses to any person or any liability arising as a result of taking or refraining from taking any action in relation to any of the Finance Documents, the Security Property or otherwise, whether in accordance with an instruction from the Agent or otherwise unless directly caused by its gross negligence or wilful misconduct;
- (d) the exercise of, or the failure to exercise, any judgment, discretion or power given to it by or in connection with any of the Finance Documents, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, the Finance Documents or the Security Property; or
- (e) any shortfall which arises on the enforcement or realisation of the Security Property.

25.9 No proceedings

No Party (other than the Security Agent, that Receiver or that Delegate) may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Security Property and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this Clause subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.



25.10 Own responsibility

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Secured Party confirms to the Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy and enforceability of any Finance Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Security Property;
- (c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Security Property, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Security Property;
- (d) the adequacy, accuracy and/or completeness of any information provided by the Security Agent or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property,

and each Secured Party warrants to the Security Agent that it has not relied on and will not at any time rely on the Security Agent in respect of any of these matters.

25.11 No responsibility to perfect Transaction Security

The Security Agent shall not be liable for any failure to:

- (a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Obligor to any of the Charged Property;
- (b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any of the Finance Documents or the Transaction Security;
- (c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any applicable laws in any jurisdiction or to give notice to any person of the execution of any of the Finance Documents or of the Transaction Security;
- (d) take, or to require any of the Obligors to take, any steps to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security under the laws of any jurisdiction; or
- (e) require any further assurances in relation to any of the Transaction Security Documents.



25.12 Insurance by Security Agent

- (a) The Security Agent shall not be under any obligation to insure any of the Charged Property, to require any other person to maintain any insurance or to verify any obligation to arrange or maintain insurance contained in the Finance Documents. The Security Agent shall not be responsible for any loss which may be suffered by any person as a result of the lack of or inadequacy of any such insurance.
- (b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be responsible for any loss which may be suffered by reason of, directly or indirectly, its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Agent shall have requested it to do so in writing and the Security Agent shall have failed to do so within 14 days after receipt of that request.

25.13 Custodians and nominees

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any assets of the trust or any assets over which Security has been created pursuant to Transaction Security as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

25.14 Acceptance of title

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any of the Obligor may have to any of the Charged Property and shall not be liable for or bound to require any Obligor to remedy any defect in its right or title.

25.15 Refrain from illegality

Notwithstanding anything to the contrary expressed or implied in the Finance Documents, the Security Agent may refrain from doing anything which in its opinion will or may be contrary to any relevant law, directive or regulation of any jurisdiction and the Security Agent may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

25.16 Business with the Obligors

The Security Agent may accept deposits from, lend money to, and generally engage in any kind of banking or other business with any of the Obligors.

25.17 Winding up of trust

If the Security Agent, with the approval of the Majority Lenders, determines that all of the Secured Liabilities and all other liabilities secured by the Transaction Security Documents have been fully and finally discharged and none of the Secured Parties is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Obligor pursuant to the Finance Documents:

- (a) the trusts set out in this Agreement shall be wound up and the Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Security Agent under each of the Transaction Security Documents; and
- (b) any Retiring Security Agent shall release, without recourse or warranty, all of its rights under each of the Transaction Security Documents.



25.18 Powers supplemental

The rights, powers and discretions conferred upon the Security Agent by this Agreement shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by general law or otherwise.

25.19 Trustee division separate

- (a) In acting as trustee for the Secured Parties, the Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any of its other divisions or departments.
- (b) If information is received by another division or department of the Security Agent, it may be treated as confidential to that division or department and the Security Agent shall not be deemed to have notice of it.

25.20 Disapplication

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, the provisions of this Agreement shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement shall constitute a restriction or exclusion for the purposes of that Act.

25.21 Lenders' indemnity to the Security Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Security Agent and every Receiver and every Delegate, within three Business Days of demand, against any cost, loss or liability incurred by any of them (otherwise than by reason of the Security Agent's gross negligence or wilful misconduct) in acting as Security Agent, Receiver or Delegate under the Finance Documents (unless the relevant Security Agent, Receiver or Delegate has been reimbursed by an Obligor pursuant to a Finance Document) and the Obligors shall jointly and severally indemnify each Lender against any payment made by it under this Clause 25.21.

25.22 Conflict with the Transaction Security Documents

- (a) If there is any conflict between this Agreement and any Transaction Security Document with regard to instructions to, or other matters affecting, the Security Agent, this Agreement will prevail.
- (b) Each Lender shall deal with the Security Agent exclusively through the Agent.

25.23 Notification of prescribed events

- (a) If an Event of Default either occurs or ceases to be continuing the Agent shall, upon becoming aware of that occurrence or cessation, notify the Security Agent.



- (b) If the Security Agent enforces, or takes formal steps to enforce, any of the Transaction Security it shall notify each Party of that action.
- (c) If any Finance Party exercises any right it may have to enforce, or to take formal steps to enforce, any of the Transaction Security it shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each Party of that action.
- (d) If a prepayment under Clause 7 (*Prepayment and Cancellation*) is waived the Agent shall notify the Security Agent of the amount of the prepayment waived.

26. CHANGE OF SECURITY AGENT AND DELEGATION

26.1 Resignation of the Security Agent

- (a) The Security Agent may resign and appoint one of its affiliates as successor by giving notice to the Borrower and the Majority Lenders.
- (b) Alternatively the Security Agent may resign by giving notice to the other Parties in which case the Majority Lenders may appoint a successor Security Agent.
- (c) If the Majority Lenders have not appointed a successor Security Agent in accordance with paragraph (b) above within 30 days after the notice of resignation was given, the Security Agent (after consultation with the Agent) may appoint a successor Security Agent.
- (d) The retiring Security Agent (the “**Retiring Security Agent**”) shall, at its own cost, make available to the successor Security Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Finance Documents.
- (e) The Security Agent’s resignation notice shall only take effect upon (i) the appointment of a successor and (ii) the transfer of all of the Security Property to that successor.
- (f) Upon the appointment of a successor, the Retiring Security Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) of Clause 25.17 (*Winding up of trust*) and under paragraph (d) above) but shall, in respect of any act or omission by it whilst it was the Security Agent, remain entitled to the benefit of Clause 25 (*The Security Agent*), Clause 15.4 (*Obligors’ indemnity to the Security Agent*) and Clause 25.21 (*Lenders’ indemnity to the Security Agent*). Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.
- (g) The Majority Lenders may, by notice to the Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Security Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (d) above shall be for the account of the Borrower.
- (h) The Security Agent shall resign in accordance with paragraph (b) above and, to the extent applicable, shall use reasonable endeavours to appoint a successor Security Agent pursuant to paragraph (a) above if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Security Agent under the Finance Documents, either:
 - (i) the Security Agent fails to respond to a request under Clause 12.8 (*FATCA Information*) and the Borrower or a Lender reasonably believes that the Security Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;



- (ii) the information supplied by the Security Agent pursuant to Clause 12.8 (*FATCA Information*) indicates that the Security Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
- (iii) the Security Agent notifies the Borrower and the Lenders that the Security Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,

and (in each case) the Borrower or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Security Agent were a FATCA Exempt Party, and the Borrower or that Lender, by notice to the Security Agent, requires it to resign.

26.2 Delegation

- (a) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any of the rights, powers and discretions vested in it by any of the Finance Documents.
- (b) That delegation may be made upon any terms and conditions (including the power to sub delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub delegate.

26.3 Additional Security Agents

- (a) The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or agent or as a co-trustee or co agent jointly with it (i) if it considers that appointment to be in the interests of the Secured Parties or (ii) for the purposes of conforming to any legal requirements, restrictions or conditions which the Security Agent deems to be relevant or (iii) for obtaining or enforcing any judgment in any jurisdiction, and the Security Agent shall give prior notice to the Borrower and each of the Agents of that appointment.
- (b) Any person so appointed shall have the rights, powers and discretions (not exceeding those conferred on the Security Agent by this Agreement) and the duties and obligations that are conferred or imposed by the instrument of appointment.
- (c) The remuneration that the Security Agent may pay to that person, and any costs and expenses (together with any applicable Indirect Tax) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security Agent.



27. APPLICATION OF PROCEEDS

27.1 Order of application

Subject to Clause 27.2 (*Prospective liabilities*), all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Finance Document or in connection with the realisation or enforcement of all or any part of the Transaction Security (for the purposes of this Clause 27, the “**Recoveries**”) shall be held by the Security Agent on trust or as agent to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this Clause 27), in the following order:

- (a) in discharging any sums owing to the Security Agent, any Receiver or any Delegate under the Finance Documents;
- (b) in payment of all costs and expenses incurred by the Agent or any Secured Party in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Agreement;
- (c) in payment:
 - (i) to the Agent on its own behalf and on behalf of the Lenders and the Arrangers; and
 - (ii) for application towards the discharge of the Loan Debt;
- (d) if none of the Obligors is under any further actual or contingent liability under any Finance Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Obligor; and
- (e) the balance, if any, in payment to the relevant Obligor.

27.2 Prospective liabilities

Following enforcement of any of the Transaction Security the Security Agent may, in its discretion, hold any amount of the Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) for later application under Clause 27.1 (*Order of application*) in respect of:

- (a) any sum payable to the Security Agent, any Receiver or any Delegate; and
- (b) any part of the Secured Liabilities,

that the Security Agent reasonably considers, in each case, might become due or owing at any time in the future.

27.3 Investment of proceeds

Prior to the application of the Recoveries in accordance with Clause 27.1 (*Order of application*) the Security Agent may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the application from time to time of those moneys in the Security Agent’s discretion in accordance with the provisions of this Clause 27.



27.4 Currency Conversion

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities the Security Agent may convert any moneys received or recovered by the Security Agent from one currency to another, at the Security Agent's Spot Rate of Exchange.
- (b) The obligations of any Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

27.5 Permitted Deductions

The Security Agent shall be entitled, in its discretion:

- (a) to set aside by way of reserve amounts required to meet, and to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Agreement; and
- (b) to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

27.6 Good Discharge

- (a) Any payment to be made in respect of the Secured Liabilities by the Security Agent
 - (i) may be made to the Agent on behalf of the Finance Parties; and any payment made in that way shall be a good discharge, to the extent of that payment, by the Security Agent.
- (b) The Security Agent is under no obligation to make the payments to the Agent under paragraph (a) of this Clause 27.6 in the same currency as that in which the obligations and liabilities owing to the relevant Finance Party are denominated.

28. SHARING AMONG THE FINANCE PARTIES

28.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers (whether by set-off or otherwise) any amount from an Obligor other than in accordance with Clause 29 (*Bail-in*) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 30.5 (*Partial payments*).

28.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 30.5 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.



28.3 Recovering Finance Party's rights

- (a) On a distribution by the Agent under Clause 28.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.
- (b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

28.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the "**Redistributed Amount**"); and
- (b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

28.5 Exceptions

- (a) This Clause 28 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (i) it notified that other Finance Party of the legal or arbitration proceedings; and
 - (ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

29. BAIL-IN

29.1 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;



- (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
- (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.”

29.2 Definitions

For the purposes of this Clause 29:

“**Bail-In Action**” means the exercise of any Write-down and Conversion Powers.

“**Bail-In Legislation**” means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and
- (b) in relation to any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

“**EEA Member Country**” means any member state of the European Union, Iceland, Liechtenstein and Norway.

“**EU Bail-In Legislation Schedule**” means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

“**Resolution Authority**” means any body which has authority to exercise any Write-down and Conversion Powers.

“**Write-down and Conversion Powers**” means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule; and
- (b) in relation to any other applicable Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation.



30. PAYMENT MECHANICS

30.1 Payments to the Agent

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency with such bank as the Agent specifies.

30.2 Distributions by the Agent

- (a) Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 30.3 (*Distributions to an Obligor*) and Clause 30.4 (*Clawback*), be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank in the principal financial centre of the country of that currency.
- (b) The Agent shall distribute payments received by it in relation to all or any part of the Loan to the Lender indicated in the records of the Agent as being so entitled on that date Provided that the Agent is authorised to distribute payments to be made on the date on which any transfer becomes effective pursuant to Clause 22 (*Changes to the Lenders*)) to the Lender so entitled immediately before such transfer took place regardless of the period to which such sums relate.

30.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 31 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied, provided such amount is due and unpaid.

30.4 Clawback

- (a) Where a sum is to be paid to the Agent or the Security Agent under the Finance Documents for another Party, the Agent or the Security Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.



30.5 Partial payments

- (a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:
 - (i) **first**, in or towards payment pro rata of any unpaid fees, costs and expenses of, and other amounts owing to, the Agent, the Security Agent, any Receiver or any Delegate under the Finance Documents;
 - (ii) **secondly**, in or towards payment pro rata of any accrued interest, fee (other than as provided in (i) above) or commission due but unpaid under the Finance Documents (including, without limitation, any periodic payments);
 - (iii) **thirdly**, in or towards payment pro rata of any principal due but unpaid under this Agreement; and
 - (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents,
- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (a)(iv) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

30.6 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

30.7 Business Days

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under paragraph (a) above, interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

30.8 Currency of account

- (a) Subject to paragraphs (b) and (c) below, U.S. dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (c) Any amount expressed to be payable in a currency other than U.S. dollars shall be paid in that other currency.



30.9 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrower); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

31. SET-OFF

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

32. TURNOVER OF RECEIPTS

32.1 Turnover by the Lenders

Subject to Clause 32.2 (*Permitted assurance and receipts*), if at any time prior to the date on which the Agent is satisfied that the Borrower is or may become under any actual or contingent liability under any Finance Document, any Lender receives or recovers:

- (a) any payment or distribution of, or on account of or in relation to, any of the Relevant Debt which is not made in accordance with Clause 27 (*Application of Proceeds*);
- (b) other than where Clause 31 (*Set-Off*) applies, any amount by way of set-off in respect of any of the Relevant Debt owed to it;
- (c) notwithstanding paragraphs (a) and (b) above, and other than where Clause 31 (*Set-Off*) applies, any amount:
 - (i) on account of, or in relation to, any of the Relevant Debt:
 - (A) after the occurrence of a Distress Event; or
 - (B) as a result of any other litigation or proceedings against the Borrower (other than after the occurrence of an Insolvency Event in respect of the Borrower or any Obligor); or
 - (ii) by way of set-off in respect of any of the Relevant Debt owed to it after the occurrence of a Distress Event,



other than, in each case, any amount received or recovered in accordance with Clause 27 (*Application of Proceeds*);

- (d) the proceeds of any enforcement of any Transaction Security except in accordance with Clause 27 (*Application of Proceeds*); or
- (e) other than where Clause 31 (*Set-Off*) applies, any distribution in cash or in kind or payment of, or on account of or in relation to, any of the Relevant Debt owed by the Borrower or any Obligor which is not in accordance with Clause 27 (*Application of Proceeds*) and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of the Borrower, and any Obligor;

that Lender will, in relation to receipts and recoveries not received or recovered by way of set-off:

- (x) hold an amount of that receipt or recovery equal to the Relevant Debt (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Agreement; and
- (y) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Debt to the Security Agent for application in accordance with the terms of this Agreement; and
- (z) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of this Agreement.

32.2 Permitted assurance and receipts

Nothing in this Agreement shall restrict the ability of any Lender to:

- (a) arrange with any person which is not a member of the Group any assurance against loss in respect of, or reduction of its credit exposure to, the Borrower (including assurance by way of credit based derivative or sub-participation); or
- (b) make any assignment or transfer permitted by Clause 22 (*Changes to the Lenders*),

which is not in breach of this Agreement, and that Lender shall not be obliged to account to any other Party for any sum received by it as a result of that action.

32.3 Sums received by the Borrower

If the Borrower receives or recovers any sum which, under the terms of any of the Finance Documents, which should have been paid to the Security Agent, the Borrower will:

- (a) hold an amount of that receipt or recovery equal to the Relevant Debt (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Agreement; and
- (b) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Debt to the Security Agent for application in accordance with the terms of this Agreement.



32.4 Saving provision

If, for any reason, any of the trusts expressed to be created in this Clause 32 should fail or be unenforceable, the affected Lender, the Borrower will promptly pay an amount equal to that receipt or recovery to the Security Agent to be held on trust by the Security Agent for application in accordance with the terms of this Agreement.

32.5 Definitions

For the purposes of this Clause 32:

“**Relevant Debt**” means:

- (a) in the case of a Lender:
 - (i) the Loan Debt owed to the Arrangers ranking (in accordance with the terms of this Agreement) pari passu with or in priority to that Lender;
 - (ii) the Loan Debt owed to the Lenders ranking (in accordance with the terms of this Agreement) pari passu with or in priority to that;
 - (iii) all Loan Debt owed to the Agent; and
 - (iv) all Loan Debt owed to the Security Agent; and
- (b) in the case of the Borrower, all of the Loan Debt.

33. NOTICES

33.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by electronic mail (“**email**”) (including scanned copies of executed documents and other attachments), fax or letter.

33.2 Addresses

The corporate email address, address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Borrower, that identified with its name below;

Borrower

Address: Plant 10, Gate No. 4,
 Godrej and Boyce Complex,
 Pirojshanagar, LBS Marg, Vikhroli (West),
 Mumbai 400 079
 India

E-mail Address: anupama.pai@wns.com
 Fax: +91 22 2518 8308
 Attention: General Counsel

- (b) in the case of the Agent and the Security Agent, that identified with its name below,



Agent

Address: 16/F, PCCW Tower, Taikoo Place,
979 King’s Road, Quarry Bay,
Hong Kong
Email Address: hk.csd.syndication@asia.bnpparibas.com
Fax: +852 3197 3066
Attention: CMLS – Clement Wong / Hugo Chan

Security Agent

Address: 16/F, PCCW Tower, Taikoo Place,
979 King’s Road, Quarry Bay,
Hong Kong
Email Address: hk.csd.syndication@asia.bnpparibas.com
Fax: +852 3197 3066
Attention: CMLS – Clement Wong / Hugo Chan

or any substitute corporate email address, address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days’ notice.

33.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will be effective:
 - (i) if by way of email, only when received in legible form by at least one of the relevant corporate email addresses of the person(s) to whom the communication is made;
 - (ii) if by way of fax, only when received in legible form; or
 - (iii) if by way of letter, only when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,
 and, (in the case of paragraphs (ii) and (iii) above) if a particular department or officer is specified as part of its address details provided under Clause 33.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Agent or the Security Agent will be effective only when actually received by the Agent or the Security Agent and then only if it is sent to the correct corporate email address(es) or, in the case of a fax or a letter, expressly marked for the attention of the department or officer identified with the Agent’s or the Security Agent’s signature below (or any substitute department or officer as the Agent or the Security Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.
- (d) Any communication or document made or delivered to the Borrower in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.
- (e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.



33.4 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

34. CALCULATIONS AND CERTIFICATES

34.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

34.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

34.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

35. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

36. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any of the Finance Documents on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.



37. AMENDMENTS AND WAIVERS

37.1 Required consents

- (a) Subject to Clause 37.2 (*All lender matters*) and any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors' Agent (in accordance with Clause 2.3 (*Obligors' Agent*) and paragraph (c) below) and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 37.
- (c) Without prejudice to the other provisions of this Agreement, each Obligor agrees to any such amendment or waiver permitted by this Clause 37 which is agreed to by the Obligors' Agent. This includes any amendment or waiver which would, but for this paragraph (c) require the consent of all of the Obligors.
- (d) Without prejudice to the generality of paragraphs (c), (d) and (e) of Clause 24.6 (*Rights and discretions of the Agent*), the Agent may, whenever it deems appropriate, engage and rely on the advice of external legal counsel in determining the level of consent required in respect of any amendment, waiver or consent under this Agreement.

37.2 All lender matters

- (a) An amendment or waiver that has the effect of changing or which relates to:
 - (i) the definition of "Majority Lenders" in Clause 1.1 (*Definitions*);
 - (ii) an extension to the date of payment of any amount under the Finance Documents;
 - (iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
 - (iv) an increase in the amount of any Commitment or an extension of the period of availability for utilisation of any Commitment or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the Facility;
 - (v) any provision which expressly requires the consent of all the Lenders;
 - (vi) a change to the Borrower or the Parent Guarantor;
 - (vii) Clause 2.2 (*Finance Parties' rights and obligations*), Clause 22 (*Changes to the Lenders*) or this Clause 37;
 - (viii) the nature or scope or release of the guarantee and indemnity granted under any Transaction Security Document unless:
 - (A) permitted under any Finance Document; or
 - (B) permitted under Clause 23.3 (*Resignation and release of security on disposal*); or
 - (ix) the manner in which the proceeds of enforcement of the Transaction Security are distributed,



shall not be made without the prior consent of all the Lenders.

- (b) The Borrower and the Agent or Security Agent, as applicable, may amend or waive a term of a Fee Letter to which they are party.
- (c) An amendment or waiver which relates to the rights or obligations of any Administrative Party may not be effected without the consent of such Administrative Party.

37.3 Other exceptions

An amendment or waiver which relates to the rights or obligations of the Agent or the Arranger or a Reference Bank (each in their capacity as such) may not be effected without the consent of the Agent, the Arranger or that Reference Bank, as the case may be.

38. DISCLOSURE OF INFORMATION

38.1 Confidentiality

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 38.2 (*Disclosure of Confidential Information*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information

38.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its head office, other branches and regional offices, Affiliates and Related Funds and all its other affiliated companies and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate for any purposes as it thinks fit if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is made aware in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
 - (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (iii) appointed by any Finance Party or by a person to whom paragraph (a)(i) or (a)(ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (c) of Clause 24.14 (*Relationship with the other Finance Parties*));



- (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (a)(i) or (a)(ii) above;
- (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom information is required or requested to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 22.12 (*Security over Lenders' rights*);
- (viii) who is a Party; or
- (ix) with the consent of the Borrower,

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (a)(i), (a)(ii) and (a)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
 - (B) in relation to paragraph (a)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
 - (C) in relation to paragraphs (a)(v), (a)(vi) and (a)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;
- (c) to any person appointed by that Finance Party or by a person to whom paragraph (a)(i) or (a)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrower and the relevant Finance Party; or
 - (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.



38.3 Entire agreement

This Clause 38 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

38.4 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

38.5 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to Clause 38.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 38.

38.6 Continuing obligations

The obligations in this Clause 38 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 24 months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

For the avoidance of doubt, the consent to disclosure authorised in this Clause 38 shall not replace or prejudice but shall be in addition to any other consent or right of disclosure which the Finance Party may have received or be entitled to (whether under law, agreement or otherwise).

For the purpose of any banking secrecy obligation which may be imposed upon any Finance Party pursuant to any applicable law, rule or regulation, the disclosure authorization given herein shall survive and continue in full force and effect for the benefit of that Finance Party notwithstanding the full repayment of all outstandings under the Finance Documents and/or the cancellation or cessation of all Commitments.



38.7 Personal Data

- (a) If any Obligor provides the Finance Parties with personal data of any individual as required by, pursuant to, or in connection with the Finance Documents, that Obligor represents and warrants to the Finance Parties that it has, to the extent required by law, (i) notified the relevant individual of the purposes for which data will be collected, processed, used or disclosed; and (ii) obtained such individual's consent for, and hereby consents on behalf of such individual to, the collection, processing, use and disclosure of his/her personal data by the Finance Parties, in each case, in accordance with or for the purposes of the Finance Documents, and confirms that it is authorised by such individual to provide such consent on his/her behalf.
- (b) Each Obligor agrees and undertakes to notify the Agent promptly upon its becoming aware of the withdrawal by the relevant individual of its consent to the collection, processing, use and/or disclosure by any Finance Party of any personal data provided by that Obligor to any Finance Party.
- (c) The Borrower shall be responsible for ensuring that the consent of any individual whose personal data is provided to any Finance Party by the Borrower has been obtained in compliance with any applicable laws.
- (d) Any consent given pursuant to this agreement in relation to personal data shall, subject to all applicable laws and regulations, survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of this agreement.

39. CONFIDENTIALITY OF FUNDING RATES AND REFERENCE BANK QUOTATIONS

39.1 Confidentiality and disclosure

- (a) The Agent and each Obligor agree to keep each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) and (d) below.
- (b) The Agent may disclose:
 - (i) any Funding Rate (but not, for the avoidance of doubt, any Reference Bank Quotation) to the Borrower pursuant to Clause 8.3 (*Notification of rates of interest*); and
 - (ii) any Funding Rate or any Reference Bank Quotation to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender or Reference Bank, as the case may be.



- (c) The Agent may disclose any Funding Rate or any Reference Bank Quotation, and each Obligor may disclose any Funding Rate, to:
 - (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate or Reference Bank Quotation is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or Reference Bank Quotation or is otherwise bound by requirements of confidentiality in relation to it;
 - (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;
 - (iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and
 - (iv) any person with the consent of the relevant Lender or Reference Bank, as the case may be.
- (d) The Agent's obligations in this Clause 39 relating to Reference Bank Quotations are without prejudice to its obligations to make notifications under Clause 8.1 (*Calculation of interest*) to Clause 8.3 (*Notification of rates of interest*) **provided that** (other than pursuant to paragraph (b)(i) above) the Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

39.2 Related obligations

- (a) The Agent and each Obligor acknowledge that each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and each Obligor undertake not to use any Funding Rate or, in the case of the Agent, any Reference Bank Quotation for any unlawful purpose.
- (b) The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender or Reference Bank, as the case may be:
 - (i) of the circumstances of any disclosure made pursuant to paragraph (c)(ii) of Clause 39.1 (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
 - (ii) upon becoming aware that any information has been disclosed in breach of this Clause 39.



39.3 No Event of Default

No Event of Default will occur under Clause 21.3 (*Other obligations*) by reason only of an Obligor’s failure to comply with this Clause 39.

40. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

41. GOVERNING LAW

This Agreement, and all non-contractual obligations arising from or in connection with this Agreement, are governed by English law.

42. ENFORCEMENT

42.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including any dispute relating to any non-contractual obligation arising from or in connection with this Agreement and any dispute regarding the existence, validity or termination of this Agreement) or any non-contractual obligation arising out of or in connection with this Agreement (a “**Dispute**”).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 42.1 is for the benefit of the Finance Parties only. As a result, to the extent allowed by law:
 - (i) no Finance Party will be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction; and
 - (ii) the Finance Parties may take concurrent proceedings in any number of jurisdictions.

42.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):

- (a) irrevocably appoints WNS Global Services (UK) Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document at the address indicated below:

WNS Global Services (UK) Limited

Address: The Lodge, Harmondsworth Lane,
 West Drayton, Middlesex,
 UB7 0AB, United Kingdom

E-mail Address: ritu.motashaw@wns.cm
 Fax: +44 7768045342
 Attention: Ritu Motashaw

- (b) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.



Each Obligor expressly agrees and consents to the provisions of this Clause 42.2.

42.3 Waiver of immunities

Each Obligor irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction or order for specific performance or recovery of property;
- (d) attachment of its assets (whether before or after judgment); and
- (e) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings).

EACH PARTY WAIVES ANY RIGHTS IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED ON OR ARISING FROM THE FINANCE DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED BY THE FINANCE DOCUMENTS. IN THE EVENT OF LITIGATION, THE FINANCE DOCUMENTS MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.



SCHEDULE 1

THE ORIGINAL LENDERS

Name of Original Lender	Commitment (US\$)
BNP Paribas, acting through its Hong Kong branch	34,000,000
Total	34,000,000

**SCHEDULE 2****CONDITIONS****Part 1****Conditions Precedent to Delivery of the Initial Utilisation Request****1. BORROWER**

- 1.1 A copy of the constitutional documents of the Borrower.
- 1.2 A copy of a resolution of the board of directors of the Borrower:
 - (a) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute the Transaction Documents to which it is a party;
 - (b) authorising a specified person or persons to execute, deliver and perform the Finance Documents to which it is a party on its behalf; and
 - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- 1.3 A specimen of the signature of each person authorised by the resolution referred to in paragraph 1.2 above.
- 1.4 A certificate of the Borrower (signed by a director or any other authorised signatory) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee or security or similar limit binding on it to be exceeded.
- 1.5 A certificate of an authorised signatory of the Borrower certifying that each copy document relating to it specified in this Part 1 of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
- 1.6 A solvency certificate in respect of the Borrower, in form and substance satisfactory to the Agent.
- 1.7 A good standing certificate (or their equivalent) in respect of the Borrower.

2. PARENT GUARANTOR

- 2.1 A copy of the constitutional documents of the Parent Guarantor.
- 2.2 A copy of a resolution of the board of directors of the Parent Guarantor:
 - (a) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute the Transaction Documents to which it is a party;
 - (b) authorising a specified person or persons to execute, deliver and perform the Finance Documents to which it is a party on its behalf; and
 - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.



- 2.3 A specimen of the signature of each person authorised by the resolution referred to in paragraph 1.2 above.
- 2.4 A certificate of the Parent Guarantor (signed by a director or authorised signatory) confirming that securing the Total Commitments would not cause any security or similar limit binding on it to be exceeded.
- 2.5 A certificate of the Parent Guarantor (signed by a director or authorised signatory) certifying that each copy document relating to it specified in this Part 1 of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
- 2.6 A good standing certificate (or their equivalent) in respect of the Parent Guarantor.

3. LEGAL OPINIONS

- 3.1 A legal opinion in relation to English law from Latham & Watkins addressed to the Finance Parties at the date of that opinion, substantially in the form distributed to the Original Lenders prior to the signing of this Agreement.
- 3.2 A legal opinion in relation to New York law from Latham & Watkins addressed to the Finance Parties at the date of that opinion, substantially in the form distributed to the Original Lenders prior to the signing of this Agreement.
- 3.3 A legal opinion in relation to Jersey law from Mourant Ozannes addressed to the Finance Parties at the date of that opinion, substantially in the form distributed to the Original Lenders prior to the signing of this Agreement.

4. OTHER DOCUMENTS AND EVIDENCE

- 4.1 Evidence that any process agent referred to in Clause 42.2 (*Service of process*) has accepted its appointment.
- 4.2 The Group Structure Chart which shows the Group assuming the Closing Date has occurred.
- 4.3 The Reports and any reliance letters in respect of the Reports.
- 4.4 The Original Financial Statements.
- 4.5 The audited annual financial statements of the Parent Guarantor for the period ending 31 March 2016.
- 4.6 Evidence satisfactory to the Agent that the fees, costs and expenses then due from the Borrower pursuant to Clause 11 (*Fees*) and Clause 16 (*Costs and Expenses*) have been paid in full or will be paid in full by the first Utilisation Date.
- 4.7 The Funds Flow Statement in a form agreed by the Borrower and the Agent.
- 4.8 The Base Case Model in a form agreed by the Borrower and the Agent.
- 4.9 A certificate of the Borrower (signed by a director) detailing the estimated Acquisition Costs to be paid from the proceeds of Utilisation of the Loan.
- 4.10 A certificate of the Borrower (signed by a director) certifying that:
 - (a) no material terms and conditions of the SPA have been, or will on or prior to the Closing Date be, amended or waived without the consent of the Lenders (other than those waivers already obtained and notified to the Agent in writing prior to the date of this Agreement);



- (b) amounts to be drawn under the Facility, when aggregated with the available cash resources of the Borrower, are sufficient to pay the purchase price under the SPA, the Acquisition Costs and any other amounts to be paid on the Closing Date under the Funds Flow Statement;
- (c) each of the conditions to closing as set out in Article VI (*Conditions to Closing*) of the SPA have been satisfied or waived; and
- (d) 100% of the Target Shares shall be acquired by the Borrower on the Closing Date.

- 4.11 All necessary “know your customer” or other similar checks in relation to the Borrower, the Parent Guarantor under all applicable laws and regulations and internal policies having been completed by each Lender.
- 4.12 All regulatory filings, permits, approvals and consents which are required for the purposes of the Acquisition.
- 4.13 A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified the Borrower accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

5. TRANSACTION DOCUMENTS

- 5.1 A copy of the SPA executed by the parties thereto.

6. FINANCE DOCUMENTS

- 6.1 This Agreement executed by the Borrower.
- 6.2 The Guarantee.
- 6.3 The Fee Letters executed by the Borrower.

**Part 2
 Conditions Subsequent**

- 1. Within 120 days of the date of this Agreement:
 - (a) The following Transaction Security Documents each duly entered into by the parties to it:

<u>Name of Obligor</u>	<u>Transaction Security Document</u>
Borrower	Stock Pledge Agreement governed by New York law in respect of all the shares held by the Borrower in the Target, in form and substance satisfactory to the Agent
Borrower	All-asset Security Agreement governed by New York law in respect of all personal property of the Borrower, in form and substance satisfactory to the Agent



- (b) Any notices or documents (including the relevant share certificates and share transfer forms in blank) required to be given or executed under the terms of the security documents referred to in paragraph (a) above.
 - (c) A legal opinion in relation to New York law from Latham & Watkins addressed to the Finance Parties at the date of that opinion.
2. As soon as reasonably practicable but in any event within three Business Days of the execution of the Transaction Security Documents, Uniform Commercial Code filings, a Pledge Supplement (as defined in the Stock Pledge Agreement) in the form annexed to the Stock Pledge Agreement executed by the Borrower in respect of all the shares held by the Borrower in the Target, and delivery of original stock certificates and stock powers and other perfection actions required in respect of the Transaction Security Documents.



SCHEDULE 3

UTILISATION REQUEST

From: WNS NORTH AMERICA INC.

To: BNP PARIBAS

16/F, PCCW Tower,
Taikoo Place,
979 King's Road,
Quarry Bay, Hong Kong

Attention: CMLS – Clement Wong / Hugo Chan

Dated:

Dear Sirs,

**WNS NORTH AMERICA INC. – US\$34,000,000 Facility Agreement
dated [] (the “Facility Agreement”)**

1. We refer to the Facility Agreement. This is an Utilisation Request. Terms defined in the Facility Agreement shall have the same meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:

 Proposed Utilisation Date: [] (or, if that is not a Business Day, the next Business Day)
 Amount: [] or, if less, the Available Facility
 First Interest Period: []
3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.
4. The proceeds of this Loan should be credited to [*account*].
5. This Utilisation Request is irrevocable.

Yours faithfully

Director/Authorised Signatory of
WNS NORTH AMERICA INC.



SCHEDULE 4

FORM OF TRANSFER CERTIFICATE

To: BNP PARIBAS as Agent and Security Agent

From: [the Existing Lender] (the “Existing Lender”) and [the New Lender] (the “New Lender”)

Dated:

WNS NORTH AMERICA INC. – US\$34,000,000 Facility Agreement
dated [] (the “Facility Agreement”)

1. We refer to Clause 22.5 (*Procedure for transfer*) of the Facility Agreement. This is a Transfer Certificate. Terms used in the Facility Agreement shall have the same meaning in this Transfer Certificate.
2. The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation, and in accordance with Clause 22.5 (*Procedure for transfer*), all of the Existing Lender’s rights and obligations under the Facility Agreement and the other Finance Documents which relate to that portion of the Existing Lender’s Commitment and participations in the Loan under the Facility Agreement as specified in the Schedule.
3. The proposed Transfer Date is [].
4. The Facility Office and address, fax number and attention particulars for notices of the New Lender for the purposes of Clause 33.2 (*Addresses*) are set out in the Schedule.
5. The New Lender expressly acknowledges:
 - (a) the limitations on the Existing Lender’s obligations set out in paragraphs (a) and (c) of Clause 22.4 (*Limitation of responsibility of Existing Lenders*); and
 - (b) that it is the responsibility of the New Lender to ascertain whether any document is required or any formality or other condition is required to be satisfied to effect or perfect the transfer contemplated by this Transfer Certificate or otherwise to enable the New Lender to enjoy the full benefit of each Finance Document.
6. The New Lender confirms that it is a “New Lender” within the meaning of Clause 22.1 (*Assignments and transfers by the Lenders*).
7. The Existing Lender and the New Lender confirm that the New Lender is not an Obligor or an Affiliate of an Obligor.
8. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.
9. This Transfer Certificate and all non-contractual obligations arising from or in connection with this Transfer Certificate are governed by English law.
10. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

Note: The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender’s interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender’s Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.



THE SCHEDULE

Commitment/rights and obligations to be transferred, and other particulars

Commitment/participation(s) transferred:

Drawn Loan(s) participation(s) amount(s): []
Available Commitment amount: []

Administration particulars:

New Lender's receiving account: []
Address: []
Telephone: []
Facsimile: []
Attn/Ref: []

[the Existing Lender]

[the New Lender]

By: _____

By: _____

This Transfer Certificate is executed by the Agent and the Transfer Date is confirmed as [].

BNP PARIBAS as Agent

By: _____

Note: *It is the New Lender's responsibility to ascertain whether any other document is required, or any formality or other condition is required to be satisfied, to effect or perfect the transfer contemplated in this Transfer Certificate or to give the New Lender full enjoyment of all the Finance Documents.*



SCHEDULE 5

FORM OF COMPLIANCE CERTIFICATE

To: BNP PARIBAS as Agent and Security Agent

From: WNS NORTH AMERICA INC.

Dated:

Dear Sirs

**WNS NORTH AMERICA INC. – US\$34,000,000 Facility Agreement
dated [] (the “Facility Agreement”)**

1. We refer to the Facility Agreement. This is a Compliance Certificate. Terms used in the Facility Agreement shall have the same meaning in this Compliance Certificate.
2. We confirm that for the Relevant Period ending on []:
 - (a) EBITDA was [] and Total [Net] Debt was []; therefore, Leverage was [] to 1;
 - (b) EBITDA was [] and Debt Service was []; therefore, the Debt Service Cover was [] to 1;¹
3. We set out below calculations establishing the figures in paragraph 2 above:
[].
4. We confirm that no Default is continuing.*

Signed by: _____
Director/Authorised Signatory of
WNS (Holdings) Limited

¹ Note: only include in respect of a Relevant Period coinciding with the end of each Financial Year.

* If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.



SCHEDULE 6

FORM OF RESIGNATION LETTER

To: BNP PARIBAS as Agent

From: [resigning Obligor] and WNS NORTH AMERICA INC.

Dated:

Dear Sirs

WNS NORTH AMERICA INC. – US\$34,000,000 Facility Agreement
dated [] (the “Facility Agreement”)

1. We refer to the Facility Agreement. This is a Resignation Letter. Terms defined in the Facility Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. Pursuant to Clause 23.2 (*Resignation of the Parent Guarantor*) of the Facility Agreement, we request that the Parent Guarantor be released from its obligations as a Guarantor under the Facility Agreement.
3. We confirm that:
 - (a) no Default is continuing or would result from the acceptance of this request; and
 - (b) []*.
4. This Resignation Letter, and all non-contractual obligations arising from or in connection with this Resignation Letter, are governed by English law.

WNS NORTH AMERICA INC.

[Subsidiary]

By: _____

By: _____

* Insert any other conditions required by the Facility Agreement.



SCHEDULE 7

EXISTING SECURITY

Name of Obligor	Security	Total Principal Amount of Indebtedness Secured	
WNS Global Services Private Limited	Fixed Deposit	INR	250,000
WNS Global Services Private Limited	Fixed Deposit	INR	100,000
Value Edge Research Services Private Limited	Fixed Deposit	INR	670,000
Value Edge Research Services Private Limited	Fixed Deposit	INR	25,000
WNS North America Inc.	Fixed Deposit	USD	21,222
WNS Global Services Philippines Inc.	Fixed Deposit	PHP	3,961,741
WNS Global Services (Romania) S.R.L.	Fixed Deposit	EUR	165,547
WNS Global Services (Australia) Pty Ltd.	Fixed Deposit	AUD	10,698
WNS Global Services (Australia) Pty Ltd.	Fixed Deposit	AUD	21,000
WNS Global Services (UK) Limited	Fixed Deposit	PLN	25,000



SCHEDULE 8

TIMETABLES

Function	Day/Time
Delivery of a duly completed Utilisation Request (Clause 5.1 (<i>Delivery of a Utilisation Request</i>))	U – 3 11.00 a.m. Hong Kong time
Agent notifies the Lenders of the Loan in accordance with Clause 5.4 (<i>Lenders' participations</i>)	U – 2 noon
LIBOR is fixed	Quotation Day as of 11.00 a.m. London time

“U” = date of utilisation

“U – X” = X Business Days prior to date of utilisation



SIGNATORIES

The Borrower

WNS NORTH AMERICA INC.

By:

Name:

Title:

Signature Page to Facility Agreement



The Arranger

BNP PARIBAS

By:

Name:

Title:

Signature Page to Facility Agreement



The Original Lender

BNP PARIBAS, acting through its Hong Kong branch

By:

Name:

Title:

By:

Name:

Title:

Signature Page to Facility Agreement



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THE AGENT

BNP PARIBAS, acting through its Hong Kong
branch

By:

Name:

Title:

By:

Name:

Title:

Signature Page to Facility Agreement



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WNS HOLDINGS LIMITED
FORM 20-F

Donnelley Financial

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Page 1 of 1

THE SECURITY AGENT

BNP PARIBAS, acting through its Hong Kong
branch

By:

Name:

Title:

By:

Name:

Title:

Signature Page to Facility Agreement



Dated

WNS (MAURITIUS) LIMITED

arranged by

HSBC BANK (MAURITIUS) LIMITED

STANDARD CHARTERED BANK

with

HSBC BANK (MAURITIUS) LIMITED

(acting as Agent)

and

HSBC BANK (MAURITIUS) LIMITED (acting as
Security Agent)

US\$84,000,000

FACILITY AGREEMENT

LATHAM & WATKINS

9 Raffles Place
#42-02 Republic Plaza
Singapore 048619
Tel: +65.6536.1161
UEN No. T09LL1649F
www.lw.com



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THIS AGREEMENT is dated 2017 and made

BETWEEN:

- (1) **WNS (MAURITIUS) LIMITED**, a corporation established under the laws of Mauritius with its registered address at C/o CIM CORPORATE SERVICES LTD, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius (the “**Borrower**”);
- (2) **HSBC BANK (MAURITIUS) LIMITED** with its registered address at 6th Floor, HSBC Centre, 18 CyberCity, Ebene, Mauritius and **STANDARD CHARTERED BANK**, with its registered address at 1 Basinghall Avenue, London, EC2V 5DD, United Kingdom (each, an “**Arranger**”);
- (3) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 (*The Original Lenders*) as lenders (the “**Original Lenders**”);
- (4) **HSBC BANK (MAURITIUS) LIMITED** as agent of the Finance Parties (the “**Agent**”), with its registered address at 6th Floor, HSBC Centre, 18 CyberCity, Ebene, Mauritius; and
- (5) **HSBC BANK (MAURITIUS) LIMITED** as security trustee for the Secured Parties, 6th Floor, HSBC Centre, 18 CyberCity, Ebene, Mauritius (the “**Security Agent**”).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

“**Acceptable Bank**” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit enhanced debt obligations of BBB or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or Baa2 or higher by Moody’s Investors Service Limited or a comparable rating from an internationally recognised credit rating agency;
- (b) a bank or financial institution incorporated in India which has the highest possible investment grade rating for its long-term unsecured and non credit-enhanced debt obligations from Credit Analysis & Research Ltd, CRISIL, ICRA and/or India Ratings and Research (a wholly owned subsidiary of Fitch Group); or
- (c) any other bank or financial institution approved by the Agent.

“**Accountants’ and Tax Due Diligence Reports**” means the following reports:

- (a) a financial due diligence report dated 27 February 2017 prepared by Ernst and Young LLP.; and
- (b) a tax due diligence report dated 27 February 2017 prepared by Ernst and Young LLP.,

each relating to the assets being acquired pursuant to the Acquisition.

“**Accrued Amounts**” has the meaning given to that term in Clause 22.13 (*Pro rata interest settlement*).



“**Acquiring Company**” has the meaning given to that term in Clause 20.6(b) (*Disposals*).

“**Acquisition**” means the acquisition by the Purchasers of the Target Interests on the terms of the Acquisition Agreement.

“**Acquisition Agreement**” means the stock purchase agreement and plan of merger to be entered between the Purchasers as purchasers and the Vendors as sellers in respect of, among other things, the acquisition of the Target Interests, including all Disclosure Schedules thereto.

“**Acquisition Costs**” means all fees, costs and expenses, stamp, registration and other Taxes incurred by the Purchasers or any other member of the Group in connection with the Acquisition or the Transaction Documents, including without limitation, all fees, costs and expenses incurred in connection with the Acquisition.

“**Additional Pari Passu Indebtedness**” has the meaning given to that term in Clause 20.11(b) (*Financial Indebtedness*).

“**Administrative Party**” means each of the Agent and the Security Agent.

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**APLMA**” means the Asia Pacific Loan Market Association Limited.

“**Assignment Agreement**” means an agreement substantially in a recommended form of the APLMA or any other form agreed between the relevant assignor, assignee and the Agent.

“**Authorisation**” means:

- (a) an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration; or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

“**Availability Period**” means the period from and including the date of this Agreement to and including the date falling two Months after the date of this Agreement.

“**Available Commitment**” means at any time a Lender’s Commitment *minus*:

- (a) the aggregate amount of its participations in any outstanding Loan; and
- (b) in relation to any proposed Utilisation, the aggregate amount of its participations in any Loan that is due to be made on or before the proposed Utilisation Date.

“**Available Facility**” means at any time the aggregate of the Lenders’ Available Commitments.

“**Bail-In Action**” has the meaning given to that term in Clause 29.2 (*Definitions*).

“**Bail-In Legislation**” has the meaning given to that term in Clause 29.2 (*Definitions*).

“**Base Case Model**” means the financial model including profit and loss, balance sheet and cashflow projections in agreed form relating to the Group (for these purposes assuming completion of the Acquisition).



“**Borrower Net Equity Value**” has the meaning given to that term in Clause 19.1 (*Financial definitions*).

“**Borrower Share Pledge Agreement**” means the share pledge agreement governed by Mauritius law to be executed by the Parent Guarantor in respect of its shares in the Borrower.

“**Borrowings**” has the meaning given to that term in Clause 19.1 (*Financial definitions*).

“**Break Costs**” means the amount (if any) by which:

- (a) the interest which a Lender should have received pursuant to the terms of this Agreement for the period from the date of receipt of all or any part of the principal amount of the Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount of interest which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

“**Business Day**” means:

- (a) for the purposes of determining LIBOR, a day (other than a Saturday or Sunday) on which banks are open for the transaction of domestic and foreign exchange business in London; and
- (b) for all other purposes, a day (other than a Saturday or Sunday) on which banks are open for general business in London, Hong Kong, India, Mauritius and New York.

“**Cash**” means, at any time, cash denominated in U.S. dollars or the currency of any jurisdiction in which the Group does business from time to time, in hand or at bank and (in the latter case) credited to an account in the name of an Obligor or any other member of the Group with an Acceptable Bank and to which an Obligor is alone (or together with other Obligors or member of the Group) beneficially entitled and for so long as:

- (a) that cash is repayable on demand;
- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Group or of any other person whatsoever or on the satisfaction of any other condition;
- (c) there is no Security or Quasi-Security (excluding paragraph (b)(i), (ii) or (iii) of Clause 20.5 (*No encumbrance*)) over that cash except for Transaction Security or any Security constituted by a netting or set-off arrangement entered into by members of the Group in the ordinary course of their banking arrangements which is permitted under paragraph (c) (ii) of Clause 20.5 (*No encumbrance*); and
- (d) the cash is freely and immediately available to be applied in repayment or prepayment of the Facility.



“Cash Equivalent Investments” means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of jurisdiction (other than those in Sanctioned Countries) in which the Group does business from time to time or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible or exchangeable to any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in jurisdiction (other than those in Sanctioned Countries) in which the Group does business from time to time ;
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-1 or higher by Standard & Poor’s Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody’s Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor’s Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody’s Investors Service Limited, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (iii) can be turned into cash on demand;
- (f) in relation to any member of the Group incorporated in India only, any investment in money market funds or liquid mutual funds in India which (i) have the highest possible investment grade credit rating from Credit Analysis & Research Ltd, CRISIL and/or ICRA, (ii) which invest substantially all their assets in securities of the types described paragraphs (a) to (d) above and (iii) can be turned into cash on demand;
- (g) any other debt security approved by the Majority Lenders,

in each case, in a currency in which the Group does business from time to time to which any Obligor is alone (or together with other Obligors and members of the Group are beneficially entitled at that time) and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents).

“Change of Control” means the occurrence of any of the following circumstances:

- (a) the Parent Guarantor ceases directly or indirectly to have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (i) cast, or control the casting of, more than 51% of the maximum number of votes that might be cast at a general meeting of each of the Borrower, the Purchasers or the Target Group;



- (ii) appoint or remove the majority of the directors or other equivalent officers of each of the Borrower, the Purchasers or the Target Group; or
- (iii) give directions with respect to the operating and financial policies of the Borrower, the Purchasers or the Target Group with which the directors or other equivalent officers of each of the Borrower, the Purchasers or the Target Group are obliged to comply; or
- (b) the Parent Guarantor ceases directly or indirectly to hold beneficially at least 51% (directly or indirectly) of the issued share capital of the Borrower, or the Purchasers(excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- (c) the Parent Guarantor and its Subsidiaries together cease to hold beneficially at least 100% (directly or indirectly) of the issued share capital of the Target Group.

“**Charged Property**” means all of the assets which from time to time are, or are expressed to be, the subject of Transaction Security.

“**Closing Date**” means the date on which Completion occurs.

“**Code**” means the U.S. Internal Revenue Code of 1986.

“**Commitment**” means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading **Commitment** in Schedule 1 (*The Original Lenders*) and the amount of any other Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount of any Commitment transferred to it under this Agreement, to the extent not cancelled, reduced or transferred by it under this Agreement.

“**Completion**” means the date on which completion of the Acquisition occurs under the Acquisition Agreement.

“**Compliance Certificate**” means a certificate delivered pursuant to Clause 18.3 (*Compliance Certificate*) and signed either by a director of the Parent Guarantor, or an authorised signatory of the Parent Guarantor who is a senior executive (i.e. senior vice-president or above) with responsibility for the financial matters of the Parent Guarantor, substantially in the form set out in Schedule 5 (*Form of Compliance Certificate*).

“**Confidential Information**” means all information relating to the Borrower, any Obligor, the Group, the Target Group, the Finance Documents or a Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or a Facility from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or the Target Group or any of their respective advisers,



in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 38 (*Disclosure of Information*); or
- (ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or the Target Group or any of their respective advisers; or
- (iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group or the Target Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

“**Confidentiality Undertaking**” means a confidentiality undertaking substantially in a recommended form of the APLMA or in any other form agreed between the Borrower and the Agent.

“**Debt Service**” has the meaning given to that term in Clause 19.1 (*Financial definitions*).

“**Debt Service Cover**” has the meaning given to that term in Clause 19.1 (*Financial definitions*).

“**Default**” means an Event of Default or any event or circumstance specified in Clause 21 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

“**Delegate**” means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

“**Disclosure Schedules**” has the meaning given to that term in the Acquisition Agreement.

“**Discharged Rights and Obligations**” has the meaning given to that term in Clause 22.5 (*Procedure for transfer*).

“**Disposing Company**” has the meaning given to that term in Clause 20.6 (*Disposals*).

“**Disruption Event**” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; and
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or



(ii) from communicating with other Parties in accordance with the terms of the Finance Documents, and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“**Distress Event**” means the enforcement of any Transaction Security.

“**EBITDA**” has the meaning given to that term in Clause 19.1 (*Financial definitions*).

“**EEA Member Country**” has the meaning given to that term in Clause 29.2 (*Definitions*).

“**Environmental Claim**” means any claim, action, proceeding or investigation by any person in respect of any Environmental Law.

“**Environmental Law**” means any applicable law (including common law), regulation, rule, statute, ordinance, enforcement policy, judgment, order, decree or judicial or administrative determination in any jurisdiction in which any member of the Group conducts business which relates to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants.

“**Environmental Permits**” means any Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by the relevant member of the Group.

“**EU Bail-In Legislation Schedule**” has the meaning given to that term in Clause 29.2 (*Definitions*).

“**Event of Default**” means any event or circumstance specified as such in Clause 21 (*Events of Default*).

“**Existing BNP Facility**” means the US\$34,000,000 term loan facility extended to WNS North America Inc. pursuant to that certain facility agreement dated 18 January 2017 by and among WNS North America, Inc., BNP Paribas Hong Kong Branch as Agent and Security Agent, and the lenders from time to time party thereto.

“**Existing Lender**” has the meaning given to that term in Clause 22.1 (*Assignments and transfers by the Lenders*).

“**Facility**” means the term loan facility made available under this Agreement as described in Clause 2 (*The Facility*).

“**Facility Office**” means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement.

“**Fair Value Report**” means a valuation report, in form and substance satisfactory to the Agent, to be prepared by an independent valuer approved by the Agent and appointed by the Borrower, detailing the fair market value of the Borrower’s shareholding in WNS India as at (a) in the case of the initial Fair Value Report, 31 March 2016, and (b) in the case of each subsequent Fair Value Report, 31 March of the most-recently ended financial year of the Borrower (or, in the case of any Fair Value Report which is delivered pursuant to Clause 18.2(b) (*Fair Value Report and Borrower Net Equity Certificate*), any later date in respect of which audited financial statements of the Borrower are available).



“**FATCA**” means:

- (a) sections 1471 to 1474 of the Code and any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraph (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

“**FATCA Application Date**” means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the U.S.), 1 July 2014;
- (b) in relation to a “withholdable payment” described in section 1473(1)(A)(ii) of the Code (which relates to “gross proceeds” from the disposition of property of a type that can produce interest from sources within the U.S.), 1 January 2019; or
- (c) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraph (a) or (b) above, 1 January 2019,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

“**FATCA Deduction**” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“**FATCA Exempt Party**” means a Party that is entitled to receive payments free from any FATCA Deduction.

“**FCPA**” has the meaning given to that term in Clause 17.18 (*Anti-money laundering and anti-corruption laws*).

“**Fee Letter**” means any letter or letters referring to this Agreement or the Facility between one or more Administrative Parties and the Borrower setting out any of the fees referred to in Clause 11 (*Fees*).

“**Final Repayment Date**” means the date falling 60 Months after the Utilisation Date.

“**Finance Document**” means this Agreement, any Fee Letter, any Resignation Letter, any Transaction Security Document, any Utilisation Request, and any other document designated as such by the Agent and the Borrower.

“**Finance Lease**” has the meaning given to that term in Clause 19.1 (*Financial definitions*).

“**Finance Party**” means an Administrative Party or a Lender.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed;



- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with any financial indebtedness which is incurred with the objective of protecting against fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close out of that derivative transaction, that amount) shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability which would fall within paragraphs (a) to (g) above; and
- (i) without double-counting, the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above which appears as a contingent liability in the consolidated financial statements of the Parent Guarantor, and which for the avoidance of doubt shall exclude performance guarantees, guarantees in relation to hedging in the ordinary course of business and customary tax indemnities.

“**Financial Quarter**” means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

“**Financial Year**” means the annual accounting period of the Group ending on or about 31 March in each year or, any other date agreed between the Borrower and the Agent.

“**First Currency**” has the meaning given to that term in Clause 15.1 (*Currency indemnity*).

“**Funding Rate**” means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of Clause 10.4 (*Cost of funds*).

“**Funds Flow Statement**” means a funds flow statement in agreed form between the Borrower and the Agent;

“**GAAP**” means generally accepted accounting principles in the jurisdiction of incorporation of the relevant Obligor, including IFRS.

“**Governmental Agency**” means any government or any governmental agency, semi-governmental or judicial entity or authority (including, without limitation, any stock exchange or any self-regulatory organisation established under statute).

“**Group**” means the Parent Guarantor and its Subsidiaries from time to time.



“**Group Structure Chart**” means the group structure chart delivered to the Agent under this Agreement from time to time.

“**Holding Company**” means, in relation to a person, any other person in respect of which it is a Subsidiary.

“**IFRS**” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“**Inbound Intercompany Loan**” means a loan from the Parent Guarantor, or a member of the Group to the Borrower pursuant to which the Borrower incurs any Financial Indebtedness.

“**Indirect Tax**” means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

“**Information Package**” means the Reports and the Base Case Model.

“**Insolvency Event**” in relation to an entity means that the entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009, if applicable;
- (g) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);



- (h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (i) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (j) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (i) above; or
- (k) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

“**Intellectual Property**” means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group (which may now or in the future subsist).

“**Intercompany Loan**” means an Inbound Intercompany Loan or an Outbound Intercompany Loan.

“**Interest Expense**” has the meaning given to that term in Clause 19.1 (*Financial definitions*).

“**Interest Period**” means, in relation to the Loan, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default interest*).

“**Interpolated Screen Rate**” means the percentage rate (rounded upwards to four decimal places per annum determined by the Agent equal to:

$$S + ((D * (L - S)) / (LD - SD))$$

where:

- “L” = the Screen Rate for a period longer than, but as close as possible to, the duration of the Relevant Interest Period;
- “S” = the Screen Rate for a period shorter than, but as close as possible to, the duration of the Relevant Interest Period;
- “LD” = the number of days in the period for which L is quoted;
- “SD” = the number of days in the period for which the S is quoted;
- “D” = the number of days in the Relevant Interest Period minus SD; and



“Relevant Interest Period” means the Interest Period of the Loan in respect of which the Interpolated Screen Rate is being determined.

“**Joint Venture**” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

“**Last Financial Quarter**” means the period commencing on January 1 of each year and ending on 31 March of that year.

“**Legal Due Diligence Report**” means the legal due diligence reports dated 21 December 2016 prepared by Reed Smith relating to the Acquisition.

“**Legal Opinion**” means any legal opinion delivered to the Agent under Clause 4 (*Conditions of Utilisation*) or Clause 23 (*Changes to the Obligors*).

“**Legal Reservations**” means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and
- (d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

“**Lender**” means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 22 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

“**LIBOR**” means, in relation to the Loan:

- (a) the applicable Screen Rate as of the Specified Time for the currency of the Loan and for a period equal in length to the Interest Period of the Loan; or
- (b) as otherwise determined pursuant to Clause 10.1 (*Unavailability of Screen Rate*),

and if, in either case, that rate is less than zero, LIBOR will be deemed to be zero.

“**Limitation Acts**” means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

“**Loan**” means, as the context requires, the loan made or to be made under the Facility or the principal amount outstanding at any time of that loan.



“**Loan Debt**” means all liabilities payable or owing by the Obligor to the Finance Parties under or in connection with the Finance Documents.

“**London Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business including dealings in interbank deposits in London.

“**Majority Lenders**” means a Lender or Lenders whose Commitments aggregate more than 66 2/3% of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66 2/3% of the Total Commitments immediately prior to the reduction).

“**Margin**” means 0.95% per annum.

“**Material Adverse Effect**” means, in the opinion of the Lenders (acting reasonably), a material adverse effect on (a) the business, operations, property, condition (financial or otherwise) or prospects of the Group taken as a whole; (b) the ability of any of the Obligor to perform its obligations under the Finance Documents; or (c) the validity or enforceability of, or the rights or remedies of any Finance Party under, the Finance Documents.

“**Money Laundering Laws**” has the meaning given to that term in Clause 17.18 (*Anti-money laundering and anti-corruption laws*).

“**Month**” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) subject to paragraph (c) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will apply only to the last Month of any period.

“**Net Leverage**” has the meaning given to that term in Clause 19.1 (*Financial definitions*).

“**New Lender**” has the meaning given to that term in Clause 22 (*Changes to the Lenders*).

“**New Shareholder Injection**” has the meaning given to that term in Clause 19.1 (*Financial definitions*).

“**Obligors**” means the Borrower and the Parent Guarantor, and “**Obligor**” means each one of them.

“**Obligors’ Agent**” means the Borrower, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.3 (*Obligors’ Agent*).

“**OFAC**” means the Office of Foreign Assets Control of the U.S. Department of the Treasury.



“**Original Financial Statements**” means:

- (a) in relation to the Group, the audited consolidated financial statements of the Group for the financial year ended 31 March 2016; and
- (b) in relation to the Target LLC and its subsidiaries, the audited consolidated financial statements for the financial year ended 31 December 2015.

“**Outbound Intercompany Loan**” means a loan from Borrower to the Parent Guarantor or a member of the Group pursuant to which the Borrower is the creditor of any Financial Indebtedness.

“**Parent Guarantee**” means the guarantee entered into on or about the date hereof by the Parent Guarantor for the benefit of the Finance Parties.

“**Parent Guarantor**” means WNS (Holdings) Limited, a company incorporated under the laws of Jersey with registration number 82262 whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands.

“**Party**” means a party to this Agreement.

“**Person**” has the meaning given to that term in Clause 17.19 (*Sanctions*).

“**Protected Party**” has the meaning given to that term in Clause 12.1 (*Tax Definitions*).

“**Purchaser**” means each of WNS India and WNS North America.

“**Quarter Date**” means 31 March, 30 June, 30 September and 31 December in any year.

“**Quasi-Security**” has the meaning given to that term in Clause 20.5 (*No encumbrance*).

“**Quotation Day**” means:

- (a) in relation to any period for which an interest rate is to be determined, two London Business Days before the first day of that period unless market practice differs in the Relevant Interbank Market in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days); and
- (b) in relation to any Interest Period the duration of which is selected by the Agent pursuant to Clause 8.2 (*Default interest*), such date as may be determined by the Agent (acting reasonably).

“**Receiver**” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

“**Recoveries**” has the meaning given to that term in Clause 27.1 (*Order of application*).

“**Recovering Finance Party**” has the meaning given to that term in Clause 28.1 (*Payment to Finance Parties*).

“**Redistributed Amount**” has the meaning given to that term in Clause 28.4 (*Reversal of redistribution*).

“**Reference Bank**” means the principal London offices of such bank or banks as may be appointed by the Agent in consultation with the Borrower.



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“**Reference Bank Rate**” means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Reference Banks, as the rate at which the relevant Reference Bank could borrow funds in the London interbank market in U.S. dollars and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in U.S. dollars and for that period.

“**Reference Bank Quotation**” means any quotation supplied to the Agent by a Reference Bank.

“**Related Fund**” in relation to a fund (the “**first fund**”), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

“**Relevant Debt**” has the meaning given to that term in Clause 32.5 (*Definitions*).

“**Relevant Interbank Market**” means the London interbank market.

“**Relevant Jurisdiction**” means, in relation to an Obligor:

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

“**Relevant Obligations**” has the meaning given to that term in Clause 22.6 (*Procedure for assignment*).

“**Relevant Period**” has the meaning given to that term in Clause 19.1 (*Financial definitions*).

“**Repayment Date**” means each date set out in Clause 6.1 (*Repayment of Loan*).

“**Repayment Instalment**” means each scheduled instalment specified under Clause 6.1 (*Repayment of Loan*) for repayment of the Loan.

“**Repeating Representations**” means each of the representations and warranties set out in Clauses 17.1 (*Status*) to 17.6 (*Governing law and enforcement*), 17.10(b) (*No Default*), 17.11 (*No misleading information*), 17.12(a) and (b) (*Financial statements*), 17.13 (*Pari passu ranking*), 17.14 (*Legal and beneficial ownership*), 17.16 (*Authorised Signatures*), 17.18 (*Anti-money laundering and anti-corruption laws*), 17.19 (*Sanctions*), 17.22 (*U.S. Laws*) and 17.23 (*Solvency*).

“**Reports**” means:

- (a) each Legal Due Diligence Report; and
- (b) each Accountants’ and Tax Due Diligence Report.

“**Representative**” means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.



“**Resignation Letter**” means a letter substantially in the form set out in Schedule 6 (*Form of Resignation Letter*).

“**Resolution Authority**” has the meaning given to that term in Clause 29.2 (*Definitions*).

“**Retiring Security Agent**” has the meaning given to that term in Clause 26.1(d) (*Resignation of the Security Agent*).

“**Restricted Party**” means a person that is: (i) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on, any Sanctions List; (ii) located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organised under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions; or (iii) otherwise a target of Sanctions (“target of Sanctions” signifying a person with whom a US person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities).

“**Retiring Security Agent**” has the meaning given to that term in Clause 26.1 (*Resignation of the Security Agent*).

“**Sanctioned Country**” has the meaning given to that term in Clause 17.19 (*Sanctions*).

“**Sanctioned Person**” has the meaning given to that term in Clause 17.19 (*Sanctions*).

“**Sanctions**” means the economic or trade sanctions laws, regulations, embargoes or restrictive measures administered, enacted, imposed or enforced by: (i) the United States government; (ii) the United Nations; (iii) the European Union; (iv) the United Kingdom; (v) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury (“OFAC”), the United States Department of State, and Her Majesty’s Treasury (“HMT”) or the Hong Kong Monetary Authority.

“**Sanctions List**” means the “Specially Designated Nationals and Blocked Persons” list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by HMT, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.”

“**Screen Rate**” means, in relation to LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for U.S. dollars and period displayed (before any correction, recalculation or republication by the administrator) on LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or the appropriate page of such other information or service which publishes that rate from time to time in place of Thomson Reuters. If the rate which is shown on such screen is less than zero, it shall be deemed to be zero. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrower.

“**Second Currency**” has the meaning given to that term in Clause 15.1 (*Currency indemnity*).

“**Secured Liabilities**” means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Secured Party under each Finance Document.

“**Secured Party**” means a Finance Party, a Receiver or any Delegate.



“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Security Agent’s Spot Rate of Exchange**” means the Security Agent’s spot rate of exchange for the purchase of the relevant currency with U.S. dollars in the Hong Kong foreign exchange market at or about 11.00 a.m. London time on a particular day.

“**Security Coverage Ratio**” has the meaning given to that term in Clause 19.1 (*Financial definitions*).

“**Security Property**” means

- (a) the Transaction Security expressed to be granted in favour of the Security Agent as trustee for the Secured Parties and all proceeds of that Transaction Security;
- (b) all obligations expressed to be undertaken by an Obligor to pay amounts in respect of the Secured Liabilities to the Security Agent as trustee for the Secured Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by an Obligor in favour of the Security Agent as trustee for the Secured Parties; and
- (c) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Finance Documents to hold as trustee on trust for the Secured Parties.

“**Sharing Finance Parties**” has the meaning given to that term in Clause 28.2 (*Redistribution of payments*).

“**Sharing Payment**” has the meaning given to that term in Clause 28.1 (*Payments to Finance Parties*).

“**Specified Time**” means a time determined in accordance with Schedule 8 (*Timetables*).

“**Subsidiary**” means, in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued equity share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

“**Sum**” has the meaning given to that term in Clause 15.1 (*Currency indemnity*).

“**Target**” means each of Target Corporation and Target LLC.

“**Target Corporation**” means MTS HealthHelp Inc., a Delaware corporation.

“**Target Group**” means the Target and their respective Subsidiaries.



“**Target Interests**” means all of the shares in the Target Corporation and all of the membership interests in the Target LLC.

“**Target LLC**” means HealthHelp Holdings, LLC, a Delaware limited liability company.

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Tax Credit**” has the meaning given to that term in Clause 12.1 (*Tax definitions*).

“**Tax Deduction**” has the meaning given to such term in Clause 12.1 (*Tax definitions*).

“**Tax Payment**” has the meaning given to that term in Clause 12.1 (*Tax definitions*).

“**Third Parties Act**” has the meaning given to that term in Clause 1.3 (*Third party rights*).

“**Total Commitments**” means at any time the aggregate of the Commitments (being US\$84,000,000 at the date of this Agreement).

“**Total Net Debt**” has the meaning given to that term in Clause 19.1 (*Financial definitions*).

“**Transaction Documents**” means the Finance Documents and the Acquisition Agreement.

“**Transaction Security**” means the Security created or evidenced or expressed to be created or evidenced under the Transaction Security Documents.

“**Transaction Security Document**” means:

- (a) the Parent Guarantee;
- (b) the Borrower Share Pledge Agreement;
- (c) any other document evidencing or creating or expressed to evidence or create Security over any asset to secure any obligation of any Obligor to a Secured Party under the Finance Documents; or
- (d) any other document designated as such by the Security Agent and the Borrower.

“**Transfer Certificate**” means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrower.

“**Transfer Date**” means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

“**Treasury Transactions**” means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

“**UK Bribery Act**” has the meaning given to that term in Clause 17.18 (*Anti-money laundering and anti-corruption laws*).

“**Unpaid Sum**” means any sum due and payable but unpaid by an Obligor under the Finance Documents.



“U.S.” means the United States of America.

“U.S. Bankruptcy Law” has the meaning given to that term in Clause 21.17 (*United States Bankruptcy Laws*).

“U.S. Debtor” has the meaning given to that term in Clause 21.17 (*United States Bankruptcy Laws*).

“Utilisation” means a utilisation of the Facility.

“Utilisation Date” means the date of a Utilisation, being the date on which the Loan is to be made.

“Utilisation Request” means a notice substantially in the form set out in Schedule 3 (*Utilisation Request*).

“Vendors” means each Healthhelp Corp Seller (as defined in the Acquisition Agreement) (each, a “Vendor”).

“WNS India” means WNS Global Services Private Limited (India), a company established under the laws of India, with its registered address at Plant-10, Gate No. 4, Godrej & Boyce Complex, Pirojshanagar, LBS Marg, Vikhroli (W), Mumbai 400 079, Maharashtra India.

“WNS North Amercia” means WNS North America Inc., a corporation established under the laws of the State of Delaware, United States, with its registered address at The Corporation Trust Centre, 1209 Orange Street, County of New Castle, Wilmington, Delaware 19801, United States.

“WNS (Mauritius) Limited” means a corporation established under the laws of Mauritius with its registered address at C/o CIM CORPORATE SERVICES LTD, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius (the **Borrower**).

“Write-down and Conversion Powers” has the meaning given to that term in Clause 29.2 (*Definitions*).

1.2 Construction

(a) Unless a contrary indication appears, any reference in this Agreement to:

- (i) any **Administrative Party**, the **Agent**, the **Arranger**, any **Finance Party**, any **Lender**, any **Obligor**, any **Party**, any **Secured Party**, the **Security Agent** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;
- (ii) **assets** includes present and future properties, revenues and rights of every description;
- (iii) a **Finance Document** or a **Transaction Document** or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
- (iv) **including** shall be construed as “including without limitation” (and cognate expressions shall be construed similarly);



- (v) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (vi) a Lender's **participation** in a Loan or Unpaid Sum includes an amount (in the currency of such Loan or Unpaid Sum) representing the fraction or portion (attributable to such Lender by virtue of the provisions of this Agreement) of the total amount of such Loan or Unpaid Sum and the Lender's rights under this Agreement in respect thereof;
 - (vii) a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (viii) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (ix) a provision of law is a reference to that provision as amended or re-enacted; and
 - (x) a time of day is a reference to Mauritius time.
- (b) Section, Clause and Schedule headings are for ease of reference only.
 - (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
 - (d) A Default (other than an Event of Default) is **continuing** if it has not been remedied or waived and an Event of Default is **continuing** if it has not been waived.
 - (e) Where this Agreement specifies an amount in a given currency (the "**specified currency**") or **its equivalent**, the **equivalent** is a reference to the amount of any other currency which, when converted into the specified currency utilising the Agent's spot rate of exchange for the purchase of the specified currency with that other currency at or about 11.00 a.m. on the relevant date, is equal to the relevant amount in the specified currency.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Agreement.
- (b) Subject to Clause 37.3 (*Other exceptions*) but otherwise notwithstanding any term of any Finance Document, the consent of any third person who is not a Party is not required to rescind or vary this Agreement at any time.
- (c) Any Receiver, Delegate or any person described in Clause 25.8 (*Exclusion of liability*) may, subject to this Clause 1.3 and the Third Parties Act, rely on any Clause of this Agreement which expressly confers rights on it.



1.4 Jersey terms

In each Finance Document, where it relates to a person incorporated, established, constituted, formed or having its “centre of main interests” (as that term is used in Article 3(1) of The Council of the European Union No.1346/2000) on Insolvency Proceedings), in each case, in Jersey, a reference to:

- (a) a “composition”, “compromise”, “assignment” or “arrangement with any creditor”, “winding up”, “liquidation”, “administration”, “dissolution”, “insolvency event” or “insolvency” includes, without limitation, “bankruptcy” (as that term is interpreted pursuant to Article 8 of the Interpretation (Jersey) Law 1954), a compromise or arrangement of the type referred to in Article 125 of the Companies (Jersey) Law 1991, any procedure or process referred to in Part 21 of the Companies (Jersey) Law 1991, and any other similar proceedings affecting the rights of creditors generally under Jersey law, and shall be construed so as to include any equivalent or analogous proceedings;
- (b) a “liquidator”, “receiver”, “administrative receiver”, “administrator” or the like includes, without limitation, the Viscount of the Royal Court of Jersey, Autorisés or any other person performing the same function of each of the foregoing;
- (c) “security” or a “security interest” includes, without limitation, any hypothèque whether conventional, judicial or arising by operation of law and any security interest created pursuant to the Security Interests (Jersey) Law 1983 or the Security Interests (Jersey) Law 2012 and any related legislation; and
- (d) any similar proceedings, analogous procedure or step being taken in connection with insolvency includes any step taken in connection with the commencement of proceedings towards the making of a declaration of en désastre in respect of any assets of such entity (or the making of such declaration).

2. THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrower a U.S. dollar term loan facility in an aggregate amount equal to the Total Commitments.

2.2 Finance Parties’ rights and obligations

- (a) The obligations of the Finance Parties under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of the Finance Parties under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and any part of the Loan or any other amount owed by an Obligor which relates to a Finance Party’s participation in the Facility or its role under a Finance Document is a debt owing to that Finance Party by that Obligor.
- (c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.



2.3 Obligors' Agent

- (a) Each Obligor (other than the Borrower) by its execution of this Agreement irrevocably appoints the Borrower to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
 - (i) the Borrower on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and
 - (ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Borrower,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

3. PURPOSE

3.1 Purpose

The Borrower shall apply all amounts borrowed by it under the Facility towards the following uses:

- (a) towards the subscription by the Borrower for Rupee bonds to be issued by WNS India;
- (b) towards the repayment of a corresponding amount in loans from WNS North America to the Borrower; and
- (c) towards payment of the Acquisition Costs (other than periodic fees);

in each case, as described in the Funds Flow Statement.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.



4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

- (a) The Borrower may not deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Part 1 of Schedule 2 (*Conditions*) in form and substance satisfactory to the Agent. The Agent shall notify the Borrower and the Lenders promptly upon being so satisfied.
- (b) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.2 Further conditions precedent

The Lenders will be obliged to comply with Clause 5.4 (*Lenders' participations*) only if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) no Default is continuing or would result from the proposed Loan and none of the circumstances described in Clause 7.2 (*Change of Control*) has occurred;
- (b) no Material Adverse Effect has occurred; and
- (c) the Repeating Representations to be made by each Obligor are true in all material respects.

4.3 Maximum number of Loans

No more than one Loan shall be outstanding at any given time. The Facility shall be drawn in full in a single drawdown.

5. UTILISATION

5.1 Delivery of a Utilisation Request

The Borrower may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request

- (a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
 - (i) the proposed Utilisation Date is a Business Day within the Availability Period;
 - (ii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
 - (iii) the proposed first Interest Period complies with Clause 9 (*Interest Periods*).
- (b) Only one Loan may be requested in each Utilisation Request.



5.3 Currency and amount

The currency specified in a Utilisation Request must be U.S. dollars.

5.4 Lenders' participations

- (a) If the conditions set out in Clause 4 (*Conditions of Utilisation*) and 5.1 (*Delivery of a Utilisation Request*) to 5.3 (*Currency and amount*) above have been met, each Lender shall make its participation in the Loan available by the Utilisation Date through its Facility Office.
- (b) The amount of each Lender's participation in the Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.
- (c) The Agent shall notify each Lender of the amount of the Loan and the amount of its participation in the Loan by the Specified Time.

5.5 Cancellation of Available Facility

The Commitments which, at that time, are unutilised shall be immediately cancelled at 5.00 p.m. on the last day of the Availability Period.

6. REPAYMENT

6.1 Repayment of Loan

- (a) The Borrower must repay the Loan in instalments by repaying on each Repayment Date an amount which reduces the outstanding aggregate Loan by the amount set forth opposite each of the Repayment Dates listed in the table below (in each case as such amount may be reduced by any earlier prepayments pursuant to Clause 7 (*Prepayment and Cancellation*)):

Repayment Date	Repayment Instalment
Date falling 6 months after the Utilisation Date	US\$8,400,000
Date falling 12 months after the Utilisation Date	US\$8,400,000
Date falling 18 months after the Utilisation Date	US\$8,400,000
Date falling 24 months after the Utilisation Date	US\$8,400,000
Date falling 30 months after the Utilisation Date	US\$8,400,000
Date falling 36 months after the Utilisation Date	US\$8,400,000
Date falling 42 months after the Utilisation Date	US\$8,400,000



Repayment Date	Repayment Instalment
Date falling 48 months after the Utilisation Date	US\$8,400,000
Date falling 54 months after the Utilisation Date	US\$8,400,000
Final Repayment Date	US\$8,400,000

(b) The Loan must be repaid in full on the Final Repayment Date.

6.2 Reborrowing

The Borrower may not reborrow any part of the Facility which is repaid.

7. PREPAYMENT AND CANCELLATION

7.1 Illegality

If, at any time, it is or will become unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in the Loan or it is or will become unlawful for any Affiliate of a Lender for that Lender to do so:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Borrower, the Commitment of that Lender will be immediately cancelled; and
- (c) to the extent that the Lenders' participation has not been transferred pursuant to paragraph (d) of Clause 7.6 (*Right of prepayment and cancellation in relation to a single Lender*), the Borrower shall repay that Lender's participation in the Loan on the last day of the Interest Period for the Loan occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

7.2 Change of Control

Upon the occurrence of:

- (a) any Change of Control in relation to any member of the Target Group; or
- (b) the sale or disposal, directly or indirectly of any of the shares or membership interests in any Target to a person who is not a member of the Group whether in a single transaction or a series of related transactions,

the Facility will be cancelled and all outstanding Utilisations, together with accrued interest, and all other amounts accrued under the Finance Documents, shall become immediately due and payable.

7.3 Non-completion of the Acquisition

If the Closing Date does not occur by 30 April 2017 (provided that such date may be extended with the consent of the Agent acting on the instructions of the Lenders), the Facility will be cancelled and all outstanding Utilisations, together with accrued interest, and all other amounts accrued under the Finance Documents, shall become immediately due and payable.

**7.4 Voluntary cancellation**

The Borrower may, if it gives the Agent not less than seven Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, reduce the Available Facility to zero or by such amount (being a minimum amount of US\$2,000,000 and minimum integral multiples of US\$1,000,000) as the Borrower may specify in such notice. Any such reduction under this Clause 7.4 shall reduce the Commitments of the Lenders rateably.

7.5 Voluntary prepayment of the Loan

- (a) The Borrower may, if it gives the Agent not less than seven Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of the Loan (but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of US\$5,000,000, and any amount in excess thereof in integral multiples of US\$100,000 on the last day of the Interest Period which ends after the Borrower has given such notice.
- (b) The Loan may be prepaid only after the last day of the Availability Period (or, if earlier, the day on which the Available Facility is zero).

7.6 Right of prepayment and cancellation in relation to a single Lender

- (a) If:
 - (i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (a) of Clause 12.2 (*Tax gross-up*); or
 - (ii) any Lender claims indemnification from the Borrower under Clause 12.3 (*Tax indemnity*) or Clause 13.1 (*Increased costs*),

the Borrower may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loan or give the Agent notice of its intention to replace that Lender in accordance with paragraph (d) below.

- (b) On receipt of a notice of cancellation referred to in paragraph (a) above, the Commitment of that Lender shall immediately be reduced to zero.
- (c) On the last day of each Interest Period which ends after the Borrower has given notice of cancellation under paragraph (a) above (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall prepay that Lender's participation in the Loan.
- (d) The Borrower may, in the circumstances set out in paragraph (a) above, on 15 Business Days' prior notice to the Agent and that Lender, replace that Lender by requiring that Lender to (and, to the extent permitted by law, that Lender shall) transfer pursuant to Clause 22 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity selected by the Borrower which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 22 (*Changes to the Lenders*) for a purchase price in cash equal to the outstanding principal amount of such Lender's participation in the outstanding Loan and all accrued interest (to the extent that the Agent has not given a notification under Clause 22.13 (*Pro rata interest settlement*), Break Costs and other amounts payable in relation thereto under the Finance Documents.



- (e) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:
 - (i) the Borrower shall have no right to replace the Agent;
 - (ii) neither the Agent nor any Lender shall have any obligation to find a replacement Lender;
 - (iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and
 - (iv) no Lender shall be obliged to execute a Transfer Certificate unless it is satisfied that it has completed all “know your customer” and other similar procedures that it is required (or deems desirable) to conduct in relation to the transfer to such replacement Lender.
- (f) A Lender shall perform the procedures described in paragraph (e)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (d) above and shall notify the Agent and the Borrower when it is satisfied that it has completed those checks.

7.7 Restrictions

- (a) Any notice of cancellation or prepayment given by any Party under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.
- (c) Any prepayments or cancellations under this Agreement shall reduce the outstanding amount under this Agreement in inverse order of maturity.
- (d) The Borrower may not reborrow any part of the Facility which is prepaid.
- (e) The Borrower shall not repay or prepay all or any part of the Loan or reduce any Commitment except at the times and in the manner expressly provided for in this Agreement.
- (f) If any Commitment is reduced in accordance with this Agreement, the amount of such reduction may not be subsequently reinstated.
- (g) If the Agent receives a notice under this Clause 7 it shall promptly forward a copy of that notice to either the Borrower or the affected Lender, as appropriate.
- (h) If all or part of the Loan is repaid or prepaid and is not available for redrawing, an amount of the Commitments (equal to the amount of the Loan which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this paragraph (h) (save in connection with any repayment or, as the case may be, prepayment under paragraph (c) of Clause 7.1 (*Illegality*) or paragraph (c) of Clause 7.6 (*Right of prepayment and cancellation in relation to a single Lender*)) shall reduce the Commitments of the Lenders rateably.



8. INTEREST

8.1 Calculation of interest

The rate of interest on the Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) LIBOR.

8.2 Payment of interest

The Borrower shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six monthly intervals after the first day of the Interest Period).

8.3 Default interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the Unpaid Sum from the due date to the date of actual payment (both before and after judgment) at a rate which is, subject to paragraph (b) below, 2% higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted a Loan in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 8.3 shall be immediately payable by the Obligor on demand by the Agent.
- (b) If any Unpaid Sum consists of all or part of the Loan which became due on a day which was not the last day of an Interest Period:
 - (i) the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period; and
 - (ii) the rate of interest applying to the Unpaid Sum during that first Interest Period shall be 2% higher than the rate which would have applied if the Unpaid Sum had not become due.
- (c) Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.

8.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.

9. INTEREST PERIODS

9.1 Selection of Interest Periods

- (a) Each Interest Period for the Loan shall be three Months, or any other period agreed between the Borrower and the Agent (acting on the written instructions of all the Lenders).



- (b) An Interest Period for the Loan shall not extend beyond the Final Repayment Date.
- (c) Each Interest Period for the Loan shall start on the Utilisation Date or (if the Loan has already been made) on the last day of the preceding Interest Period.

9.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

10. CHANGES TO THE CALCULATION OF INTEREST

10.1 Unavailability of Screen Rate

- (a) If no Screen Rate is available for LIBOR for the Interest Period of a Loan, the applicable LIBOR shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of that Loan.
- (b) If no Screen Rate is available for LIBOR for:
 - (i) the currency of a Loan; or
 - (ii) the Interest Period of the Loan and it is not possible to calculate the Interpolated Screen Rate,the applicable LIBOR shall be the Reference Bank Rate as of the Specified Time for the currency of that Loan and for a period equal in length to the Interest Period of that Loan.
- (c) If paragraph (b) above applies but no Reference Bank Rate is available for the relevant currency or Interest Period there shall be no LIBOR for that Loan and Clause 10.4 (*Cost of funds*) shall apply to that Loan for that Interest Period.

10.2 Calculation of a Reference Bank Rate

- (a) Subject to paragraph (b) below, if LIBOR is to be determined on the basis of a Reference Bank Rate but a Reference Bank does not supply a quotation by the Specified Time, the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.
- (b) If at or about noon (on the Quotation Day none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for the relevant Interest Period.

10.3 Market disruption

If before close of business in London on the Quotation Day for the relevant Interest Period the Agent receives notifications from a Lender or Lenders (whose participations in the Loan exceed 50%) that the cost to it of funding its participation in the Loan from whatever source it may reasonably select would be in excess of LIBOR then Clause 10.4 (*Cost of funds*) shall apply to the Loan for the relevant Interest Period.



10.4 Cost of funds

- (a) If this Clause 10.4 applies, the rate of interest on each Lender's share of the Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event by close of business on the date falling five Business Days after the Quotation Day (or, if earlier, on the date falling three Business Days before the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost to the relevant Lender of funding its participation in the Loan from whatever source it may reasonably select.
- (b) If this Clause 10.4 applies and the Agent or the Borrower so requires, the Agent and the Borrower shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.
- (c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.
- (d) If this Clause 10.4 applies pursuant to Clause 10.3 (*Market disruption*) and:
 - (i) a Lender's Funding Rate is less than LIBOR; or
 - (ii) a Lender does not supply a quotation by the time specified in paragraph (a)(ii) above,the cost to that Lender of funding its participation in that Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be LIBOR.
- (e) If this Clause 10.4 applies pursuant to Clause 10.1 (*Unavailability of Screen Rate*) but any Lender does not supply a quotation by the time specified in paragraph (a)(ii) above the rate of interest shall be calculated on the basis of the quotations of the remaining Lenders.

10.5 Notification to the Borrower

If Clause 10.4 (*Cost of funds*) applies the Agent shall, as soon as is practicable, notify the Borrower.

10.6 Break Costs

- (a) The Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of the Loan or any Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for the Loan or any Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.



11. FEES

11.1 Commitment fee

- (a) The Borrower must pay to the Agent (for the account of each Lender) a commitment fee computed at the rate of 0.40% per annum of each Lender's Available Commitment at close of business (in the principal financial centre of the country of the relevant currency) on each day of the period from and including the date falling 15 days after the date of this Agreement to and including the end of the Availability Period (or, if any such day shall not be a Business Day, at such close of business on the immediately preceding Business Day).
- (b) The accrued commitment fee is payable in arrears:
 - (i) on the last day of each quarter date during the Availability Period;
 - (ii) on the last day of the Availability Period; and
 - (iii) if a Lender's Commitment is reduced to zero before the last day of the Availability Period, on the day on which such reduction to zero becomes effective.

11.2 Upfront Fee

The Borrower shall pay to the Agent (for the account of each Lender) an upfront fee, in the amount and at the times agreed in a Fee Letter.

12. TAX GROSS-UP AND INDEMNITIES

12.1 Tax definitions

- (a) In this Clause 12:
 - “**Protected Party**” means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to any sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.
 - “**Tax Credit**” means a credit against, relief or remission for, or repayment of, any Tax.
 - “**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.
 - “**Tax Payment**” means an increased payment made by an Obligor to a Finance Party under Clause 12.2 (*Tax gross-up*) or a payment under Clause 12.3 (*Tax indemnity*).
- (b) Unless a contrary indication appears, in this Clause 12 a reference to “**determines**” or “**determined**” means a determination made in the absolute discretion of the person making the determination acting in good faith.

12.2 Tax gross-up

- (a) All payments to be made by or on behalf of an Obligor to any Finance Party under the Finance Documents shall be made free and clear of and without any Tax Deduction unless a Tax Deduction is required by law, in which case the sum payable by the relevant Obligor (in respect of which such Tax Deduction is required to be made) shall be increased to the extent necessary to ensure that such Finance Party receives a sum net of any deduction or withholding equal to the sum which it would have received had no such Tax Deduction been made or required to be made.



- (b) The Borrower shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrower and that Obligor.
- (c) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (d) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

12.3 Tax indemnity

- (a) The Borrower shall (within five Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.
- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a Finance Party;
 - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or
 - (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Clause 12.2 (*Tax gross-up*); or
 - (B) relates to a FATCA Deduction required to be made by a Party.
- (c) A Protected Party intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given rise to the claim, whereupon the Agent shall notify the Borrower thereof.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 12.3, notify the Agent.



12.4 Tax credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

12.5 Stamp taxes

- (a) The Borrower shall:
 - (i) pay all stamp duty, registration and other similar Taxes payable in respect of any Finance Document; and
 - (ii) within five Business Days of demand, indemnify each Secured Party against any cost, loss or liability that Finance Party incurs in relation to any stamp duty, registration or other similar Tax paid or payable in respect of any Finance Document.

12.6 Indirect tax

- (a) All amounts set out or expressed in a Finance Document to be payable by any Party to a Finance Party shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the Indirect Tax (and such Finance Party must promptly provide an appropriate Indirect Tax invoice to that Party).
- (b) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any costs or expenses, that Party shall also at the same time reimburse or indemnify the Finance Party against all Indirect Tax incurred by that Finance Party in respect of the costs or expenses to the extent the Finance Party reasonably determines that it is not entitled to credit or repayment in respect of the Indirect Tax.
- (c) Any reference in this Clause 12.6 to any Party shall, at any time when such Party is treated as a member of a group for Indirect Tax purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term “representative member” to have the same meaning as in the relevant legislation of any jurisdiction having implemented Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112)).
- (d) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party’s Indirect Tax registration and such other information as is reasonably requested in connection with such Finance Party’s Indirect Tax reporting requirements in relation to such supply.



12.7 FATCA Deduction

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Borrower and the Agent and the Agent shall notify the other Finance Parties.

12.8 FATCA Information

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA;
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.



- (e) Each Lender shall, within ten Business Days of:
- (i) where the relevant Lender is a Lender at the date of this Agreement, the date of this Agreement;
 - (ii) where the relevant Lender is a New Lender, the relevant Transfer Date; or
 - (iii) the date of a request from the Agent,
- supply to the Agent:
- (A) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or
 - (B) any withholding statement or other document, authorisation or waiver as the Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.
- (f) The Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) above to the Borrower.
- (g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Agent by a Lender pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Agent). The Agent shall provide any such updated withholding certificate, withholding statement, document, authorisation or waiver to the Borrower.
- (h) The Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) or (g) above without further verification. The Agent shall not be liable for any action taken by it under or in connection with paragraphs (e), (f) or (g) above.
- (i) If a Lender fails to supply any withholding certificate, withholding statement, document, authorisation, waiver or information in accordance with paragraph (e) above, or any withholding certificate, withholding statement, document, authorisation, waiver or information provided by a Lender to the Agent is or becomes materially inaccurate or incomplete, then such Lender shall indemnify the Agent, within five Business Days of demand, against any cost, loss, Tax or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (including any related interest and penalties) in acting as Agent under the Finance Documents as a result of such failure.
- (j) If, in accordance with paragraph (f) above, the Agent provides the Borrower with sufficient information to determine its withholding obligations under FATCA, but the Borrower fails to withhold as required by FATCA, the Borrower shall indemnify the Agent, within five Business Days of demand, against any cost, loss, Tax or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (including any related interest and penalties) in acting as Agent under the Finance Documents as a result of such failure.



13. INCREASED COSTS

13.1 Increased costs

(a) Subject to Clause 13.3 (*Exceptions*) the Borrower shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates). The terms “law” and “regulation” in this paragraph (a) shall include any law or regulation concerning capital adequacy, prudential limits, liquidity, reserve assets or Tax.

(b) In this Agreement:

Increased Costs means:

- (a) a reduction in the rate of return from the Facility or on a Finance Party’s (or its Affiliate’s) overall capital (including as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by such Finance Party);
- (b) an additional or increased cost; or
- (c) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to the undertaking, funding or performance by such Finance Party of any of its obligations under any Finance Document or any participation of such Finance Party in the Loan or any Unpaid Sum.

13.2 Increased cost claims

- (a) A Finance Party (other than the Agent) intending to make a claim pursuant to Clause 13.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.
- (b) Each Finance Party (other than the Agent) shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs supported with a statement reflecting reasonable calculations, if so requested by the Agent.

13.3 Exceptions

- (a) Clause 13.1 (*Increased costs*) does not apply to the extent any Increased Cost is:
 - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) attributable to a FATCA Deduction required to be made by a Party;
 - (iii) compensated for by Clause 12.3 (*Tax indemnity*) (or would have been compensated for under Clause 12.3 (*Tax indemnity*) but was not so compensated solely because the exclusions in paragraph (b) of Clause 12.3 (*Tax indemnity*) applied); or



- (iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.
- (b) In this Clause 13.3, a reference to a “**Tax Deduction**” has the same meaning given to the term in Clause 12.1 (*Tax definitions*).

14. MITIGATION BY THE LENDERS

14.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 12 (*Tax Gross-Up and Indemnities*) or Clause 13 (*Increased Costs*), including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

14.2 Limitation of liability

- (a) The Borrower shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 14.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 14.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

14.3 Conduct of business by the Finance Parties

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

15. OTHER INDEMNITIES

15.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:
 - (i) making or filing a claim or proof against that Obligor; or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,



the Borrower shall, and shall procure that each Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) The Borrower shall (or shall procure that each Obligor will), waive any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

15.2 Other indemnities

- (a) The Borrower shall (or shall procure that an Obligor will), within five Business Days of demand, indemnify each Secured Party against any cost, loss or liability incurred by that Secured Party as a result of:
 - (i) the occurrence of any Event of Default;
 - (ii) the information produced or approved by any Obligor being or being alleged to be misleading and/or deceptive in any respect;
 - (iii) a failure by an Obligor to pay any amount due under a Finance Document on its due date or in the relevant currency, including without limitation, any cost, loss or liability arising as a result of Clause 28 (*Sharing among the Finance Parties*);
 - (iv) any enquiry, investigation, subpoena (or similar order) or litigation with respect to any Obligor or with respect to the transactions contemplated or financed under this Agreement;
 - (v) funding, or making arrangements to fund, its participation in the Loan requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
 - (vi) the Loan (or part of the Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.
- (b) The Borrower shall (or shall procure that an Obligor will), within three Business Days of demand, promptly indemnify each Finance Party, each Affiliate of a Finance Party and each officer or employee of a Finance Party or its Affiliate, against any cost, loss or liability incurred by that Finance Party or its Affiliate (or officer or employee of that Finance Party or Affiliate) in connection with or arising out of the Acquisition or the funding of the Acquisition (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning the Acquisition), unless such loss or liability is caused by the gross negligence or wilful misconduct of that Finance Party or its Affiliate (or employee or officer of that Finance Party or Affiliate). Any Affiliate or any officer or employee of a Finance Party or its Affiliate may rely on this Clause 15.2 subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.



15.3 Indemnity to the Agent

The Borrower shall (or shall procure that an Obligor will), within three Business Days of demand, promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes is a Default;
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
- (c) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement.

15.4 Obligors' indemnity to the Security Agent

The Borrower shall (or shall procure that an Obligor will), shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them:

- (a) as a result of:
 - (i) any failure by the Borrower to comply with obligations under Clause 16 (*Costs and Expenses*);
 - (ii) the taking, holding, protection or enforcement of the Transaction Security;
 - (iii) the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law; or
 - (iv) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents; or
- (b) which otherwise relates to any of the Charged Property or the performance of the terms of the Finance Documents (otherwise than as a result of its gross negligence or wilful misconduct).

15.5 Priority of indemnity

The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in Clause 15.4 (*Obligors' indemnity to the Security Agent*) and shall have a lien on the Transaction Security and the proceeds of enforcement of the Transaction Security for all moneys payable to it.

16. COSTS AND EXPENSES

16.1 Transaction expenses

The Borrower shall, within seven Business Days of demand, pay the Administrative Parties the amount of all costs and expenses (including legal fees) reasonably incurred by any of them (and, in the case of the Security Agent, any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution, syndication and perfection of:

- (a) this Agreement and any other documents referred to in this Agreement or in a Transaction Security Document; and



(b) any other Finance Documents executed after the date of this Agreement.

16.2 Amendment costs

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 30.9 (*Change of currency*), the Borrower shall, within seven (7) Business Days of demand, reimburse each of the Agent and the Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent or the Security Agent (and, in the case of the Security Agent, any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

16.3 Security Agent's ongoing costs

- (a) In the event of (i) a Default or (ii) the Security Agent considering it necessary or expedient or (iii) the Security Agent being requested by an Obligor or the Agent (acting on the written instructions of the Majority Lenders) to undertake duties which the Security Agent and the Borrower agree to be of an exceptional nature and/or outside the scope of the normal duties of the Security Agent under the Finance Documents, the Borrower shall pay to the Security Agent any additional remuneration (together with any applicable Indirect Tax) that may be agreed between them.
- (b) If the Security Agent and the Borrower fail to agree upon the nature of the duties or upon any additional remuneration, that dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Borrower or, failing approval, nominated (on the application of the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Borrower) and the determination of any investment bank shall be final and binding upon the parties to this Agreement.

16.4 Enforcement and preservation costs

The Borrower shall, within three Business Days of demand, pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by that Secured Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document and the Transaction Security and any proceedings instituted by or against that Secured Party as a consequence of it entering into a Finance Document, taking or holding the Transaction Security, or enforcing those rights.

17. REPRESENTATIONS

The Borrower makes the representations and warranties set out in this Clause 17 on behalf of itself and each other Obligor to each Finance Party on the date of this Agreement.

17.1 Status

- (a) It is a corporation, duly incorporated and validly existing under the laws of the jurisdiction of incorporation.
- (b) It and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted.

17.2 Binding obligations

Subject to the Legal Reservations the obligations expressed to be assumed by it in each Finance Document are legal, valid, binding and enforceable obligations



17.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its and each of its Subsidiaries' constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its Subsidiaries or any of its or any of its Subsidiaries' assets.

17.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

17.5 Validity and admissibility in evidence

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and
- (b) to make the Finance Documents to which it is a party admissible in evidence in its Relevant Jurisdiction, have been obtained or effected and are in full force and effect.
- (c) All Authorisations necessary for it and its Subsidiaries to carry on their business have been obtained or effected and are in full force and effect.

17.6 Governing law and enforcement

Subject to Legal Reservations:

- (a) the choice of governing law of the Finance Documents will be recognised and enforced in its Relevant Jurisdictions; and
- (b) any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its Relevant Jurisdictions.

17.7 Deduction of Tax

It is not required under the law applicable where it is incorporated or resident or at the address specified in this Agreement to make any Tax Deduction from any payment it may make under any Finance Document.

17.8 No filing or stamp taxes

Except for payment of any stamp fees in respect of any Finance Documents brought into India, it is not necessary under the laws of its Relevant Jurisdictions that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.



17.9 Taxation

- (a) It is not (and none of its Subsidiaries is) materially overdue in the filing of any tax returns and it is not overdue in the payment of any amount in respect of Tax (save where such payment is in dispute and has been adequately provided for by the Group) which has had or could reasonably be expected to have a Material Adverse Effect.
- (b) No claims or investigations are being, or are reasonably likely to be, made or conducted against it (or any of its Subsidiaries) with respect to Taxes which has given rise to or could reasonably be expected to give rise to a Material Adverse Effect
- (c) It is resident for Tax purposes only in its jurisdiction of incorporation.

17.10 No default

- (a) No Event of Default is continuing or is reasonably likely to result from the making of any Utilisation.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is reasonably likely to have a Material Adverse Effect.

17.11 No misleading information

Save as disclosed in writing to the Agent and the Arranger prior to the date of this Agreement (or, in relation to the Information Package, prior to the date of the Information Package):

- (a) all factual written information (supplied by any member of the Group was true, complete and accurate in all material respects as at the date it was given and was not misleading in any respect as at the date it was provided or as at the date (if any) at which it is stated.
- (b) any financial projections provided by or on behalf of any member of the Group (whether or not contained in the Information Package) have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.
- (c) nothing has occurred and no information has been given or withheld that results in the information supplied by any member of the Group as being untrue or misleading in any material respect.
- (d) all written information (other than the Information Package) supplied by any member of the Group was true, complete and accurate in all material respects as at the date it was given and was not misleading in any respect.

17.12 Financial statements

- (a) Its financial statements most recently supplied to the Agent (which, at the date of this Agreement, are the Original Financial Statements) were prepared in accordance with GAAP consistently applied save to the extent expressly disclosed in such financial statements or to the Agent in writing to the contrary, prior to the date of this Agreement.
- (b) Its financial statements most recently supplied to the Agent (which, at the date of this Agreement, are the Original Financial Statements) give a true and fair view and represent its financial condition and operations (consolidated in the case of the Borrower) during the relevant financial year save to the extent expressly disclosed to the Agent in writing to the contrary, prior to the date of this Agreement.



- (c) There has been no material adverse change in the business activities, financial condition, credit standing and/or prospects of the Parent Guarantor or the Borrower and/or their Subsidiaries since the date to which the Original Financial Statements were drawn up.

17.13 Pari passu ranking

- (a) Its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.
- (b) The Transaction Security has or will have the ranking in priority which it is expressed to have in the Transaction Security Document and it is not subject to any prior ranking or *pari passu* ranking Security.

17.14 Legal and beneficial ownership

It and each of its Subsidiaries is the sole legal and beneficial owner of the respective assets over which it purports to grant Security.

17.15 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect has or have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

17.16 Authorised Signatures

Any person specified as its authorised signatory under Schedule 2 (*Conditions*) or paragraph (f) of Clause 18.5 (*Information: miscellaneous*) is authorised to sign Utilisation Requests (in the case of the Borrower only) and other notices on its behalf.

17.17 Acquisition

- (a) The Acquisition Agreement contains all the terms of the Acquisition.
- (b) There is no disclosure made in the Disclosure Schedules or any other disclosure to the Acquisition Agreement which has or may have a material adverse effect on any of the information, opinions, intentions, forecasts and projections contained or referred to in the Information Package.
- (c) To the best of its knowledge no representation or warranty (as qualified by the Disclosure Schedules) given by any party to the Acquisition Agreement is untrue or misleading in any material respect.
- (d) Following the date on which the Utilisation Request is submitted, the Borrower shall not agree any material amendments to the Acquisition Agreement which would be adverse to the rights, title and interests of the Finance Parties under the Finance Documents, other than any amendments which have been approved in writing by the Agent (acting on the instructions of the Lenders).

**17.18 Anti-money laundering and anti-corruption laws**

- (a) Its operations, and the operations of its Subsidiaries and their Affiliates are and have been conducted at all times in material compliance with applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Agency having jurisdiction over it or any of its other Subsidiaries (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 it, any of its Subsidiaries, any of their Affiliates or any of their respective directors, officers, agents or employees, in each case, with respect to the Money Laundering Laws is pending or, to the best of its knowledge, threatened.
- (b) Neither it nor, to the best of its knowledge, any of its directors, officers, agents, employees, Affiliates or any other person acting on its behalf or on behalf of 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 any applicable anti-bribery law, including but not limited to, the United Kingdom Bribery Act 2010 (the “**UK Bribery Act**”) and the U.S. Foreign Corrupt Practices Act of 1977 (the “**FCPA**”). Furthermore, it and (to the best of its knowledge) its Affiliates have conducted their businesses in compliance with the UK Bribery Act, the FCPA and similar laws, rules or regulations and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.
- (c) No part of the proceeds of the Loan will be used, directly or indirectly, for any payments that could constitute a violation of any applicable anti-bribery law.

17.19 Sanctions

- (a) Neither it nor any of its Subsidiaries, nor any directors, officers (to the best knowledge of the Borrower), agents, employees or Affiliates of it or any of its Subsidiaries is an individual or entity (a “**Person**”) that is, or is owned or controlled by Persons that are: (i) the target of any Sanctions (a “**Sanctioned Person**”) or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions, including, without limitation, the Crimea region, Cuba, Iran, North Korea, Sudan and Syria (a “**Sanctioned Country**”).
- (b) Neither it, nor any of its Subsidiaries or joint ventures, nor any of any of their respective directors, officers or employees nor, to the knowledge of the Borrower, any persons acting on any of their behalf:
- (i) is a Restricted Party; or
- (ii) has received notice of or is aware of any claim, action, suit, proceeding or investigation against it with respect to Sanctions by any Sanctions Authority.”

17.20 Group Structure Chart

- (a) Assuming Completion has occurred, the Group Structure Chart delivered to the Agent pursuant to Part 1 of Schedule 2 (*Conditions*) is true, complete and accurate in all material respects and shows the following information:
- (i) each member of the Group, including current name and company registration number, its jurisdiction of incorporation and/or its jurisdiction of establishment, a list of shareholders and indicating whether a company is not a company with limited liability; and



- (ii) all minority interests in any member of the Group and any person in which any member of the Group holds shares in its issued share capital or equivalent ownership interest of such person.

17.21 No breach of laws

- (a) It has not (and none of its Subsidiaries have) breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.
- (b) No labour disputes are current or threatened against any member of the Group which have or are reasonably likely to have a Material Adverse Effect.

17.22 U.S. Laws

No member of the Group is:

- (a) required to be registered as an investment company or subject to regulation under the United States Investment Company Act of 1940; or
- (b) subject to regulation under any United States Federal or State law or regulation that limits its ability to incur or guarantee indebtedness.

As used herein, “**investment company**” has the meaning given to it in the United States Investment Company Act of 1940.

17.23 Solvency

No:

- (a) corporate action, legal proceeding or other procedure, or step described in paragraph (a) of Clause 21.6 (*Insolvency*); or
- (b) creditor’s process described in Clause 21.8 (*Creditors’ process*),

has been taken or, to the knowledge of the Borrower, threatened in relation to a member of the Group and none of the circumstances in Clause 21.6 (*Insolvency*) applies to a member of the Group.

17.24 Repetition

The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on the date of each Utilisation Request, each Utilisation Date and the first day of each Interest Period.

18. INFORMATION UNDERTAKINGS

The undertakings in this Clause 18 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

18.1 Financial statements

- (a) The Borrower shall supply to the Agent in sufficient copies for all the Lenders:



- (i) as soon as the same become available, but in any event within 180 days after the end of each of its Financial Years, the Borrower's audited consolidated financial statements for that Financial Year; and
 - (ii) as soon as the same become available, but in any event within 60 days after the end of each Financial Quarter other than the last Financial Quarter of each of its Financial Years, the Borrower's unaudited consolidated financial statements for that Financial Quarter.
 - (iii) as soon as the same become available, but in any event within 120 days after the end of the last Financial Quarter of each of its Financial Years, the Borrower's unaudited consolidated financial statements for that Financial Quarter.
- (b) The Borrower shall procure that the Parent Guarantor will supply to the Agent in sufficient copies for all the Lenders:
- (i) as soon as the same become available, but in any event within 120 days after the end of each of the Financial Years of the Parent Guarantor, its audited consolidated financial statements for that Financial Year; and
 - (ii) as soon as the same become available, but in any event within 60 days after the end of each Financial Quarter other than the Last Financial Quarter of each of the Financial Years of the Parent Guarantor, its unaudited consolidated financial statements for that Financial Quarter.

18.2 Fair Value Report and Borrower Net Equity Certificate

- (a) The Borrower shall on an annual basis, within 240 Days after the end of each of the Borrower's fiscal year, commencing from the year ending 31 March 2017, provide the Agent with:
- (i) an updated Fair Value Report, in each case prepared on the same basis and subject to the same valuation parameters as the initial Fair Value Report delivered to the Agent pursuant to the provisions of Clause 20.24 (*Conditions subsequent*); and
 - (ii) a certificate from a director and/or an authorised signatory of the Borrower or the Parent Guarantor who is a senior executive (i.e. senior vice-president or above) with responsibility for the financial matters of the Borrower or the Parent Guarantor, confirming the Borrower Net Equity as at the date the most recent audited financial statements of the Borrower has been delivered and setting out (in reasonable detail) computations as to the same.
- (b) The Borrower may also from time to time provide to the Agent an updated Fair Value Report and certificate in accordance with the requirements of paragraph (a) above to facilitate its compliance with the requirements of Clause 19.4 (*Security Coverage Ratio*), provided, however, that any such Fair Value Report shall be prepared as of a date in respect of which audited financial statements of the Borrower are available.

18.3 Compliance Certificate

The Borrower shall supply to the Agent, with each set of financial statements delivered pursuant to paragraph (i) and (ii) of Clause 18.1 (*Financial statements*) and Clause 18.2 (*Fair Value Report and Borrower Net Equity Certificate*), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 19 (*Financial Covenants*) as at the date as at which those financial statements were drawn up.



18.4 Requirements as to financial statements

- (a) Each set of financial statements delivered by the Borrower or the Parent Guarantor pursuant to Clause 18.1 (*Financial statements*) shall be certified by a director and/or an authorised signatory of the relevant company who is a senior executive (i.e. senior vice-president or above) with responsibility for the financial matters of the Borrower or the Parent Guarantor, as the case may be, as fairly representing its financial condition as at the date as at which those financial statements were drawn up.
- (b) Each set of financial statements delivered by the Borrower or the Parent Guarantor pursuant to Clause 18.1 (*Financial statements*) shall give a true and fair view of (if audited) or fairly represent (if unaudited) the financial condition and operations of the relevant company.
- (c) The Borrower shall procure that each set of financial statements delivered pursuant to Clause 18.1 (*Financial statements*) is prepared using GAAP.
- (d) The Borrower shall procure that each set of financial statements of an Obligor delivered pursuant to Clause 18.1 (*Financial statements*) is prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for that Obligor unless, in relation to any set of financial statements, it notifies the Agent that there has been a change in GAAP, the accounting practices or reference periods and its auditors (or, if appropriate, the auditors of the Obligor) deliver to the Agent:
 - (i) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which that Obligor's Original Financial Statements were prepared; and
 - (ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 19 (*Financial Covenants*) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and that Obligor's Original Financial Statements.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

18.5 Information: miscellaneous

The Borrower shall supply to the Agent (in sufficient copies for all the Finance Parties, if the Agent so requests):

- (a) all documents dispatched by the Borrower to its creditors generally at the same time as they are despatched;
- (b) promptly upon becoming aware of the relevant claim the details of any material claim which is current, threatened or pending against any Vendor or any other person in respect of the Acquisition Agreement;
- (c) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group, and which might, if adversely determined, have a Material Adverse Effect;



- (d) promptly, such information as the Security Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Transaction Security Documents;
- (e) promptly, such further information regarding the financial condition, business and operations of any member of the Group as any Finance Party (through the Agent) may reasonably request; and
- (f) promptly, notice of any change in authorised signatories of any Obligor who are authorised to sign any notices or statements signed by a director, company secretary or authorised signatory of such Obligor accompanied by specimen signatures of any new authorised signatories.

18.6 Notification of default

- (a) The Borrower shall (or shall procure that each Obligor will), notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Agent, the Borrower shall supply to the Agent a certificate signed by a director or authorised signatory on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

18.7 Know your customer checks

- (a) The Borrower shall (and shall procure that each Obligor shall) promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender (including for any Lender on behalf of any prospective new Lender)) in order for the Agent, such Lender or any prospective new Lender to conduct any **know your customer** or other similar procedures under applicable laws and regulations and internal policies.
- (b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to conduct any **know your customer** or other similar procedures under applicable laws and regulations and internal policies.

19. FINANCIAL COVENANTS

19.1 Financial definitions

In this Agreement:

“**Borrower Net Equity Value**” means the net equity value of the shares held by the Parent Guarantor in WNS (Mauritius) Limited, calculated using the following parameters:

- (a) the value of the assets and liabilities of the Borrower (other than any such value which is attributable to the Borrower’s shareholding in WNS India) shall be calculated using the book value of such assets and liabilities, in each case as set out in the financial statements of the Borrower which have most recently been delivered to the Agent pursuant to Clause 18.1(a) (*Financial statements*); and



- (b) the value attributable to the Borrower’s shareholding in WNS India shall be calculated with reference to the Fair Value Report which has most recently been delivered to the Agent pursuant to Clause 18.2 (*Fair Value Report and Borrower Net Equity Certificate*).

“**Borrowings**” means, as at any particular time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of the Financial Indebtedness of members of the Group but:

- (a) excluding any indebtedness referred to in paragraph (g) of the definition of Financial Indebtedness and any guarantee or indemnity in respect of that indebtedness;
- (b) excluding any Financial Indebtedness owed by one member of the Group to another member of the Group; and
- (c) including, in the case of finance or capital leases only, the capital element value thereto,

and so that no amount shall be included or excluded more than once.

“**Debt Service Cover**” means the ratio of Debt Service to EBITDA in respect of any Relevant Period.

“**Debt Service**” means, in respect of any Relevant Period, the sum of:

- (a) Interest Expense for that Relevant Period; and
- (b) that part of all Borrowings outstanding at the commencement of that Relevant Period originally scheduled for repayment in that Relevant Period (whether or not paid or repaid when due).

“**EBITDA**” means, in relation to any Relevant Period, the total consolidated operating profit of the Group for that Relevant Period:

- (a) before taking into account:
 - (i) Interest Expense;
 - (ii) Tax;
 - (iii) any share of the profit of any associated company or undertaking, except for dividends received in cash by any member of the Group;
 - (iv) extraordinary and exceptional items;
 - (v) any realised or unrealised exchange losses (including those arising on translation of currency debt) that are not related to the operations of the Group (it being understood that exchange losses related to hedging in the ordinary course of business are to be included in the calculation of EBITDA) ;
 - (vi) any loss against book value arising on a disposal or revaluation of any asset in the ordinary course of trading;
 - (vii) to the extent included, any fair value adjustments and amounts written off the value of investments;



- (viii) any restructuring costs in respect of restructurings approved by the Majority Lenders;
 - (ix) any amount charged to the profit and loss account for transaction costs and expenses relating to the Acquisition;
 - (x) any amortisation of stock based compensation expenses and any fringe benefits and taxes associated therewith to the extent recoverable from employees; and
- (b) after adding back all amounts provided for depreciation and amortisation for that Relevant Period, as determined (except as needed to reflect the terms of this Clause 19) from the consolidated financial statements of the Parent Guarantor and Compliance Certificates delivered under Clause 18.1 (*Financial statements*) and Clause 18.3 (*Compliance Certificate*).

“**Finance Lease**” means any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease.

“**Interest Expense**” means in relation to any Relevant Period, the aggregate amount of interest and any other finance charges (whether or not paid, payable or capitalised) accrued by the Group in that Relevant Period in respect of Borrowings:

- (a) including the interest element of leasing and hire purchase payments;
- (b) including commitment fees, commissions, arrangement fees and guarantee fees;
- (c) including amounts in the nature of interest payable in respect of any shares other than equity share capital;
- (d) excluding any such obligations to any member of the Group;
- (e) excluding any amount charged to the profit and loss account in respect of the Relevant Period for transaction costs and expenses relating to the Acquisition (other than interest payable in respect of the Facility); and
- (f) excluding any amount in the nature of accrued interest, fees or periodic payments or premia owing to any member of the Group on any deposit or bank account,

adjusted (but without double counting) by adding back the net amount payable (or deducting the net amount receivable) by members of the Group in respect of that Relevant Period under any interest or (so far as they relate to interest) currency hedging arrangements, all as determined (except as needed to reflect the terms of this Clause 19) from the consolidated financial statements of the Borrower and Compliance Certificates delivered under Clause 18.1 (*Financial statements*) and Clause 18.3 (*Compliance Certificate*).

“**Net Leverage**” means, in respect of any Relevant Period, the ratio of Total Net Debt on the last day of that Relevant Period to EBITDA in respect of that Relevant Period.

“**New Shareholder Injections**” means the aggregate amount subscribed for by any person (other than a member of the Group) for ordinary shares in the Borrower or for subordinated loan notes or other subordinated debt instruments in the Borrower on terms acceptable to the Majority Lenders.

“**Relevant Period**” means each period of 12 months ending on a Quarter Date.



“**Security Coverage Ratio**” means the ratio of (i) the sum of (x) the Borrower Net Equity Value and (y) the aggregate value of any additional collateral provided in accordance with Clause 19.4(b) to (ii) the amount then outstanding under the Financial Indebtedness which is secured either by the shares held by the Parent Guarantor in the Borrower or by such other collateral as has been approved by the Majority Lenders.

“**Total Net Debt**” means, at any time, the aggregate amount of all obligations of members of the Group for or in respect of Borrowings at that time but:

- (a) **excluding** any such obligations to any other member of the Group;
- (b) **excluding** any such obligations in respect of, to the extent they constitute Borrowings, any New Shareholder Injections;
- (c) **including**, in the case of Finance Leases only, their capitalised value;
- (d) **deducting** the aggregate amount of Cash held by the Group at that time; and
- (e) **deducting** Cash Equivalent investments held by the Group,

and so that no amount shall be included or excluded more than once.

19.2 Financial condition

The Borrower shall (and the Borrower shall procure that the Parent Guarantor will) ensure that:

- (a) *Debt Service Cover*: Debt Service Cover in respect of any Relevant Period shall not be less than 1.1:1.
- (b) *Net Leverage*: Net Leverage in respect of any Relevant Period shall not exceed 2.75:1.

19.3 Financial testing

- (a) The financial covenants set out in Clause 19.2 (*Financial condition*) shall be calculated and interpreted on a consolidated basis in accordance with GAAP applicable to the Original Financial Statements of the Parent Guarantor and (to the extent not expressed in US\$) shall be converted into US\$ on the basis of the exchange rates used in the latest consolidated quarterly financial statements of the Parent Guarantor and tested by reference to each of the financial statements delivered pursuant to paragraph (i) or (ii) of Clause 18.1 (*Financial statements*) and/or each Compliance Certificate delivered pursuant to Clause 18.3 (*Compliance Certificate*).
- (b) The first testing date shall be 31 March 2017.

19.4 Security Coverage Ratio

- (a) The Borrower shall maintain a Security Coverage Ratio of 1.15: 1, which shall be tested by reference to the most-recent Fair Value Report and certificate of the Borrower Net Equity which are from time to time delivered in accordance with the terms of this Agreement.
- (b) The Borrower shall not, and shall procure that the Parent Guarantor will not, incur any Additional Pari Passu Indebtedness pursuant to the terms of Clause 20.11(b)(v) (*Financial Indebtedness*) unless:



- (i) in the event that such Additional Pari Passu Indebtedness is, or is to be, incurred prior to the date falling 180 days after the date as of which the most-recently delivered Fair Value Report speaks, the Security Coverage Ratio (after giving effect to the incurrence of such Additional Pari Passu Indebtedness) is equal to or greater than 1.15: 1, or
- (ii) in the event that such Additional Pari Passu Indebtedness is, or is to be, incurred 180 days or more after the date as of which the most-recently delivered Fair Value Report speaks, the Security Coverage Ratio (after giving effect to the incurrence of such Additional Pari Passu Indebtedness) is equal to or greater than 1.50: 1.

The Borrower and the Parent Guarantor may, in complying with the requirements of this paragraph (b), either

- (i) prepare and deliver to the Agent an updated Fair Value Report and certificate of the Borrower Net Equity Value in accordance with the requirements of Clause 18.2 (*Fair Value Report and Borrower Net Equity Certificate*) or
- (ii) provide additional collateral acceptable to the Agent or reduce the outstanding amount under the Facility such that the Security Coverage Ratio is met or exceeded.

20. GENERAL UNDERTAKINGS

The undertakings in this Clause 20 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

20.1 Authorisations

- (a) The Borrower shall (and the Borrower will procure that each Obligor will) promptly:
 - (i) obtain, comply with and do all that is necessary to maintain in full force and effect; and
 - (ii) supply certified copies to the Agent of,
any Authorisation required to:
 - (A) enable it to perform its obligations under the Transaction Documents;
 - (B) to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Transaction Document; and
 - (C) carry on its business where failure to do so has or is reasonably likely to have a Material Adverse Effect.

20.2 Compliance with laws

The Borrower shall (and the Borrower will procure that each Obligor will) comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents.

20.3 Pari passu ranking

The Borrower shall (and the Borrower will procure that each Obligor will) ensure that its payment obligations under the Finance Documents rank and continue to rank at least *pari passu* with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.



20.4 The Acquisition Agreement

- (a) The Borrower shall procure that the Purchasers promptly pay all amounts payable to the Vendors under the Acquisition Agreement as and when they become due (except to the extent that any such amounts are being contested in good faith by a member of the Group and where adequate reserves are set aside for any such payment).
- (b) The Borrower shall, (and the Borrower will procure that each of the Purchasers will), take all reasonable and practical steps to preserve and enforce its rights (or the rights of any other member of the Group) and pursue any claims and remedies arising under the Acquisition Agreement.

20.5 No encumbrance

In this Clause 20.5, “**Quasi-Security**” means an arrangement or transaction described in paragraph (b) below.

- (a) The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) create or permit to subsist any Security or Quasi-Security over any of its assets (including, for the avoidance of doubt, over the assets of the Target Group following the Closing Date).
- (b) The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will):
 - (i) sell, transfer or otherwise dispose of any of its assets, unless such disposals are in the normal course of business, and on terms whereby they are leased to or re-acquired by an Obligor or any other member of the Group;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms, except for the discounting of bills or notes in the ordinary course of trade;
 - (iii) enter into or permit to subsist any title retention arrangement;
 - (iv) enter into or permit to subsist any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (v) enter into or permit to subsist any other preferential arrangement having a similar effect,in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.
- (c) Paragraphs (a) and (b) above do not apply to:
 - (i) any Security or Quasi-Security listed in Schedule 7 (*Existing Security*) except to the extent the principal amount secured by that Security or Quasi-Security exceeds the amount stated in that Schedule;
 - (ii) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
 - (iii) any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by a member of the Group for the purpose of:



- (A) hedging any risk to which any member of the Group is exposed in its ordinary course of trading; or
- (B) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only,
excluding, in each case, any Security or Quasi-Security under a credit support arrangement in relation to a hedging transaction;
- (iv) any lien arising by operation of law and in the ordinary course of trading **provided that** the debt which is secured thereby is paid when due or contested in good faith by appropriate proceedings and properly provisioned;
- (v) any Security or Quasi-Security created pursuant to any Finance Document;
- (vi) any Security or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;
- (vii) any Security or Quasi-Security granted in connection with bank guarantees, performance bonds or other similar financial accommodations which are posted by or on behalf of any member of the Group in the ordinary course of its business for the purpose of securing its performance obligations to its customers and/or for the purposes of securing any customs or excise payment obligation;
- (viii) any Security or Quasi-Security granted over the Shares of the Borrower in connection with Financial Indebtedness permitted to be incurred by the Borrower or the Parent Guarantor under Clause 20.11(b)(v) (*Financial Indebtedness*), provided that the Security or Quasi-Security granted in respect of such Additional Pari Passu Indebtedness shall not rank senior to the security which has been granted pursuant to the Transaction Security Documents;
- (ix) any Security or Quasi-Security securing indebtedness the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of Security or Quasi-Security given by any member of the Group other than any permitted under paragraphs (i) to (viii) above) does not exceed US\$50,000,000 (or its equivalent in another currency or currencies), provided that such limit shall be automatically increased to US\$200,000,000 upon the receipt by the Agent of evidence reasonably satisfactory to it that Clause 20.6(c)(viii) of the Existing BNP Facility has been correspondingly amended to increase the aggregate amount of permissible secured indebtedness from US\$50,000,000 (or its equivalent in another currency or currencies) to US\$200,000,000 (or its equivalent in another currency or currencies); or
- (x) any Security or Quasi-Security created with the consent of the Agent (acting on the instructions of the Majority Lenders.



- (d) The Parties understand and acknowledge that it is their unequivocal intention to co-operate and comply with every applicable law and regulation in respect of this transaction, including, without limitation, the Foreign Exchange Management Act of the Republic of India. Accordingly, in order to be consistent with the aforesaid, it is hereby agreed (and the Borrower undertakes) that no Security, Quasi-Security, security interest, encumbrance or similar interest will be created or permitted to subsist over the assets of any member of the Group without prior Authorisation from any Governmental Agency of the Republic of India (including without limitation, the Reserve Bank of India), where such Authorisation may be required. For the avoidance of doubt, nothing in this Clause 20.5 (*No encumbrance*) shall be construed (and is not intended to be construed) as creating any Security, Quasi-Security, security interest, encumbrance or similar interest in the assets of any member of the Group or directing the disposal of any assets of any member of the Group.

20.6 Disposals

- (a) The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.
- (b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal:
- (i) of trading stock or cash made by any member of the Group in the ordinary course of trading of the disposing entity;
 - (ii) of any asset by a member of the Group (the “**Disposing Company**”) to another member of the Group (the “**Acquiring Company**”) in the ordinary course of business, provided that if the Disposing Company had given Security over the asset, the prior written consent of the Agent shall be required for such disposal;
 - (iii) of assets (other than shares, businesses or intellectual property) in exchange for other assets comparable or superior as to type, value and quality and provided that the asset received is subject to at least the same level of Transaction Security as the asset replaced (if applicable);
 - (iv) of Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments;
 - (v) of obsolete or redundant vehicles, plant and equipment for cash;
 - (vi) arising as a result of any Security which is permitted under paragraph (c) of Clause 20.5 (*No encumbrance*);
or
 - (vii) where the higher of the market value or consideration receivable (when aggregated with the higher of the market value or consideration receivable for any other sale, lease, transfer or other disposal by members of the Group, other than any permitted under paragraphs (i) to (vi) above) does not exceed US\$10,000,000 (or its equivalent in another currency or currencies) in any Financial Year,

provided that none of the above exceptions shall permit any member of the Group to cease to hold a majority shareholding interest in any of its Subsidiaries (without the consent of all the Lenders).



20.7 Arm's length basis

The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) enter into any transaction with any person except on arm's length terms and for full market value save for any Intercompany Loan which is permitted under paragraph (b)(ii) of Clause 20.11 (*Financial Indebtedness*).

20.8 Merger

The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) without the prior written consent of the Agent enter into any amalgamation, demerger, merger or corporate reconstruction, other than any amalgamation, demerger, merger or corporate reconstruction between wholly-owned Subsidiaries of the Parent Guarantor that are not Obligors or in connection with the Acquisition.

20.9 Change of business

The Borrower shall procure that no substantial change is made to the general nature of the business of the Borrower or the Group (taken as a whole) from that carried on at the date of this Agreement.

20.10 Loans and guarantees

- (a) The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) make or allow to subsist any loans, grant any credit or give or allow to remain outstanding any guarantee or indemnity (except as required under any of the Finance Documents) to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person.
- (b) Paragraph (a) above does not apply to:
 - (i) any trade credit extended by any member of the Group to its customers on normal commercial terms and in the ordinary course of its trading activities;
 - (ii) any loans extended by
 - (A) an Obligor to an Obligor;
 - (B) a non-Obligor to a non-Obligor;
 - (C) a non-Obligor to an Obligor,provided that, in each case, the Borrower would, as at the Quarter Date for which Financial Statements have been most recently delivered to the Agent under Clause 19.2 (*Financial condition*), have been in pro forma compliance with the financial covenants set out in Clause 19 (*Financial Covenants*) after giving effect to the incurrence of such Financial Indebtedness, assuming for such purposes that such Financial Indebtedness was incurred at the beginning of the Relevant Period to which such Financial Statements related;
 - (iii) any guarantee granted by the Borrower or any member of the Group entered into to hedge currency or interest rate exposure of, or otherwise in respect of Financial Indebtedness of a member of the Group, which in each case is permitted to be incurred under the terms of the Finance Documents;



- (iv) any performance or payment guarantees given by the pursuant to outsourcing agreements with its customers entered into, in each case, in the ordinary course of its business;
- (v) any loan where all the proceeds of such loan are used to satisfy a payment obligation of an Obligor under the Finance Documents; or
- (vi) any Financial Indebtedness arising under an Inbound Intercompany Loan or an Outbound Intercompany Loan.

20.11 Financial Indebtedness

- (a) The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) incur or permit to remain outstanding any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to:
 - (i) any Financial Indebtedness incurred pursuant to any Finance Documents;
 - (ii) any Financial Indebtedness arising under any loan or guarantee permitted pursuant to Clause 20.10 (*Loans and guarantees*);
 - (iii) any Financial Indebtedness under finance or capital leases of vehicles, plant, equipment or computers, provided that the aggregate capital value of all such items so leased under outstanding leases by members of the Group does not exceed US\$20,000,000 (or its equivalent in other currencies) at any time; or
 - (iv) any other Financial Indebtedness incurred by any member of the Group provided that the Borrower and the Parent Guarantor would, as at the Quarter Date for which Financial Statements have been most recently delivered to the Agent under Clause 19.2 (*Financial condition*), be in pro forma compliance with the financial covenants set out in Clause 19 (*Financial Covenants*) after giving effect to the incurrence of such Financial Indebtedness, assuming for such purposes that such Financial Indebtedness was incurred at the beginning of the Relevant Period to which such Financial Statements related; or
 - (v) any other Financial Indebtedness incurred by the Borrower or the Parent Guarantor to any other person which is secured or to be secured by the shares of the Borrower (“**Additional Pari Passu Indebtedness**”), provided that:
 - (A) the obligations under such Additional Pari Passu Indebtedness shall not rank senior to the obligations under the Finance Documents;
 - (B) after giving effect to such Additional Pari Passu Indebtedness, the Borrower would be in pro forma compliance with the Security Coverage Ratio requirements set out in Clause 19.4(b) (*Security Coverage Ratio*); and
 - (C) at the same time that the Additional Pari Passu Indebtedness is incurred, the creditors thereunder enter into, or accede to, an intercreditor agreement with the Finance Parties (in form and substance satisfactory to the Agent (acting on the instructions of the Majority Lenders)) to govern, amongst other things, the priority of security and enforcement of security to be granted over the shares of the Borrower, and in accordance with the principles set out in Schedule 9 (*Agreed Intercreditor Principles*) hereto.



- (c) Notwithstanding the provisions of paragraph (b) above, the aggregate amount of Financial Indebtedness which shall be permitted to be incurred by WNS India shall not in any event exceed US\$200,000,000.

20.12 Dividends and share redemption

- (a) Except as permitted under paragraph (b) below, the Borrower shall not (and will ensure that no member of the Group will):
 - (i) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);
 - (ii) repay or distribute any dividend or share premium reserve;
 - (iii) pay or allow any member of the Group to pay any management, advisory or other fee to or to the order of any of the shareholders of the Borrower; or
 - (iv) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so.
- (b) Paragraph (a) above does not apply to:
 - (i) the payment of a dividend to the Borrower or any member of the Group, or the making of any payments to a member of the Group to facilitate a share buyback by another member of the Group;
 - (ii) any share buyback by the Parent Guarantor pursuant to the share buyback program, provided that the Group would, as at the Quarter Date for which Financial Statements have been most recently delivered to the Agent under Clause 19.2 (*Financial condition*), be in pro forma compliance with the financial covenants set out in Clause 19 (*Financial Covenants*) after giving effect to such buyback, assuming for such purposes that such buyback was incurred at the beginning of the Relevant Period to which such Financial Statements related.

20.13 Share capital

- (a) The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) issue any shares except pursuant to:
 - (i) an issue of ordinary shares by the Borrower to the Parent Guarantor paid for in full in cash upon issue and which by their terms are not redeemable and where (A) such shares are of the same class and on the same terms as those initially issued by the Borrower (B) such issue does not lead to a Change of Control and (C) where the newly-issued shares also become subject to the Transaction Security on the same terms; and
 - (ii) an issuance of shares from a member of the Group to another member of the Group or to employees or directors of any member of the Group.

**20.14 Treasury Transactions**

The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group will) enter into any Treasury Transaction, other than:

- (a) foreign exchange contracts entered into in the ordinary course of business and not for speculative purposes;
- (b) any Treasury Transaction entered into for the hedging of actual or projected real exposures to interest rate and currency fluctuations which arise in the ordinary course of trading activities of a member of the Group and is not for speculative purposes.

20.15 Insurance

- (a) The Borrower shall (and the Borrower will ensure that each Obligor and each member of the Group will) maintain insurances on and in relation to its business and assets against those risks which are insurable in nature and to the extent as is usual for prudent companies carrying on the same or substantially similar business.
- (b) All insurances must be with reputable independent insurance companies or underwriters.

20.16 Intellectual Property

The Borrower shall (and the Borrower will ensure that each Obligor and each member of the Group will):

- (a) preserve and maintain the subsistence and validity of the Intellectual Property necessary for the business of the relevant Group member;
- (b) use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property;
- (c) make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property in full force and effect and record its interest in that Intellectual Property; and
- (d) not use or permit the Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or imperil the right of any member of the Group to use such property.

20.17 Environmental compliance

The Borrower shall (and the Borrower will ensure that each Obligor and each member of the Group will) comply in all material respects with all Environmental Law, obtain and maintain any Environmental Permits and take all reasonable steps in anticipation of known or expected future changes to or obligations under Environmental Law or any Environmental Permits which, failure to do so, might reasonably be expected to have a Material Adverse Effect.

20.18 Environmental Claims

The Borrower shall (and the Borrower will ensure that each Obligor will) inform the Agent in writing as soon as reasonably practicable upon becoming aware of:

- (a) any Environmental Claim which has been commenced or (to the best of such Obligor's knowledge and belief) is threatened against any member of the Group; or
- (b) any facts or circumstances which will or might reasonably be expected to result in any Environmental Claim being commenced or threatened against any member of the Group,



in each case where such Environmental Claim might reasonably be expected, if determined against that member of the Group, to have a Material Adverse Effect.

20.19 Anti-corruption law

- (a) The Borrower shall not (and the Borrower will ensure that no Obligor or member of the Group (including their or the Obligors' directors, employees and agents) will) directly or indirectly engage in any activity or conduct which would violate any applicable anti-bribery, anti-corruption or anti-money laundering laws, regulations or rules in any applicable jurisdiction .
- (b) The Borrower shall (and the Borrower will ensure that each Obligor and each member of the Group (including their or the Obligors' directors, employees and agents) will):
 - (i) conduct its businesses in compliance with applicable anti-corruption laws; and
 - (ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

20.20 Sanctions

The Borrower shall not (and the Borrower will ensure that no member of the Group (including their or the Obligors' directors, employees and agents) will), directly or indirectly, use the proceeds of the Loan hereunder or the proceeds of any other transaction contemplated by this Agreement, or lend, make payments of, contribute or otherwise make available all or any part of such proceeds to any Subsidiary, joint venture partner or any other Person (as defined in Clause 17.19 (*Sanctions*)), (i) to fund any activities, trade or business of or with any Person, or in any country or territory, that, at the time of such funding, is, a Sanctioned Party (as defined in Clause 17.19 (*Sanctions*)) or Sanctioned Country (as defined in Clause 17.19 (*Sanctions*)) or Restricted Person or (ii) in any other manner that would result in, or that would reasonably be expected to result in, a violation of Sanctions by any Obligor or Person (including any Person participating in the loan hereunder, whether as underwriter, advisor, investor, lender, hedge provider, facility or security agent or otherwise) or such Obligor or Person becoming a Restricted Party.

20.21 Taxation

- (a) The Borrower shall (and the Borrower will ensure that each Obligor and each member of the Group will) pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Agent under Clause 18.1 (*Financial statements*); and
 - (iii) such payment can be lawfully withheld and failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.
- (b) The Borrower shall not (and the Borrower will ensure that no member of the Group will), change its residence for Tax purposes other than with the prior written consent of the Lenders (such consent not to be unreasonably withheld).



20.22 Further assurance

- (a) The Borrower shall (and the Borrower will ensure that each Obligor and each member of the Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
 - (i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law;
 - (ii) to confer on the Security Agent or confer on the Finance Parties Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction Security Documents; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (b) The Borrower shall (and the Borrower will ensure that each Obligor and each member of the Group will) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to the Finance Documents.

20.23 The Acquisition Agreement

The Borrower shall, and shall procure that the Purchasers will, in respect of the Acquisition Agreement:

- (a) comply with and satisfy (or obtain all requisite waivers from the Vendors in respect of) all the conditions to closing set out in the Acquisition Agreement within the deadlines specified in the Acquisition Agreement; and
- (b) not grant a waiver, consent, approval or amend any provision of the Acquisition Agreement without the prior written consent of the Lenders, other than (A) any waiver, consent, approval or amendment that is minor or technical or not materially prejudicial to the interests of the Lenders or (B) any waiver, consent, approval or amendment granted or executed or agreed to be granted or executed prior to the date of this Agreement.

20.24 Conditions subsequent

The Borrower must ensure that each of the documents and evidences listed in Part 2 of Schedule 2 (*Conditions*) are delivered to the Agent in form and substance satisfactory to the Agent (acting on the instructions of the Lenders) by no later than the dates specified in Part 2 of Schedule 2 (*Conditions*) for delivery of that document or evidence.



21. EVENTS OF DEFAULT

Each of the events or circumstances set out in the following subclauses of this Clause 21 (other than Clause 21.18 (*Acceleration*)) is an Event of Default.

21.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by:
 - (i) administrative or technical error; or
 - (ii) a Disruption Event; and
- (b) payment is made within three Business Days of its due date.

21.2 Financial covenants and other obligations

Any requirement of Clause 19 (*Financial Covenants*) is not satisfied.

21.3 Other obligations

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 21.1 (*Non-payment*) and Clause 21.2 (*Financial covenants and other obligations*)).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 15 Business Days of the earlier of (i) the Agent giving notice to the Borrower and (ii) any Obligor becoming aware of the failure to comply.

21.4 Misrepresentation

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

21.5 Cross default

- (a) Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), whether or not such Financial Indebtedness is accelerated by the creditor(s), provided that if the event of default (however described) in respect of such other Financial Indebtedness has been cured or waived, any Event of Default which may exist under this paragraph (b) shall also be deemed to have been cured or waived.
- (c) Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group (as applicable) as a result of an event of default (however described).



- (d) Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).
- (e) No Event of Default will occur under this Clause 21.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than US\$10,000,000 (or its equivalent in any other currency or currencies).

21.6 Insolvency

- (a) A member of the Group is, or is presumed or deemed to be, unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of any member of the Group is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of any member of the Group.

21.7 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, judicial management, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group, other than a solvent liquidation or reorganisation of any member of the Group which is not an Obligor;
 - (ii) a composition or arrangement with any creditor of any member of the Group, or an assignment for the benefit of creditors generally of any member of the Group, or a class of such creditors;
 - (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not an Obligor), receiver, administrator, judicial manager, administrative receiver, compulsory manager, provisional supervisor or other similar officer in respect of any member of the Group or any of its assets; or
 - (iv) enforcement of any Security over any assets of any member of the Group,or any analogous procedure or step is taken in any jurisdiction.
- (b) Paragraph (a)(i) above shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 45 days of commencement.

21.8 Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of a member of the Group having an aggregate value of US\$10,000,000 and is not discharged within 45 days.



21.9 Unlawfulness

- (a) It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective.
- (b) Any obligation or obligations of any Obligor under any Finance Documents are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
- (c) Any Finance Document ceases to be in full force and effect or any Transaction Security ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.

21.10 Repudiation and rescission of agreements

- (a) An Obligor, or any other relevant party, rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.
- (b) Any party to the Acquisition Agreement rescinds or purports to rescind or repudiates or purports to repudiate the Acquisition Agreement in whole or in part where to do so has or is, in the reasonable opinion of the Majority Lenders, likely to have a material adverse effect on the interests of the Lenders under the Finance Documents.

21.11 Audit qualification

The auditors of any Obligor qualify the audited annual consolidated financial statements of such Obligor.

21.12 Expropriation

Any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any member of the Group or any of its assets, which would have or be reasonably likely to have a Material Adverse Effect.

21.13 Litigation

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened in relation to the Transaction Documents or the transactions contemplated in the Transaction Documents or against any member of the Group or its assets or its assets which have or are reasonably likely to be adversely determined and if so adversely determined, would have or be reasonably likely to have a Material Adverse Effect.

21.14 Cessation of business

The Borrower suspends or ceases to carry on all or a material part of its business or of the business of the Group taken as a whole.

21.15 Change of Control

A Change of Control occurs in relation to the Borrower or any Purchaser.



21.16 Material Adverse Effect

Any event or circumstance occurs which the Majority Lenders reasonably believe has or is reasonably likely to have a Material Adverse Effect.

21.17 United States Bankruptcy Laws

(a) In this Clause 21.17:

“**U.S. Bankruptcy Law**” means the United States Bankruptcy Code or any other United States Federal or State bankruptcy, insolvency or similar law.

“**U.S. Debtor**” means an Obligor that is (i) incorporated or organized under the laws of the United States of America or any State of the United States of America (including the District of Columbia) or that has a place of business or property in the United States of America or (ii) an individual.

(b) Any of the following occurs in respect of a U.S. Debtor:

- (i) it makes a general assignment for the benefit of creditors;
- (ii) it commences a voluntary case or proceeding under any U.S. Bankruptcy Law; or
- (iii) an involuntary case under any U.S. Bankruptcy Law is commenced against it and is not controverted within 20 days or is not dismissed or stayed within 60 days after commencement of the case; or
- (iv) an order for relief or other order approving any case or proceeding is entered under any U.S. Bankruptcy Law.

21.18 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower:

- (a) without prejudice to the participations of any Lenders in any portion of the Loan which is then outstanding:
 - (i) cancel the Commitments (and reduce them to zero), whereupon they shall immediately be cancelled (and reduced to zero); or
 - (ii) cancel any part of any Commitment (and reduce such Commitment accordingly), whereupon the relevant part shall immediately be cancelled (and the relevant Commitment shall be immediately reduced accordingly); and/or
- (b) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
- (c) declare that all or part of the Loan be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the written instructions of the Majority Lenders; and/or
- (d) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents,



provided that, if an Event of Default described in Clause 21.17 (*United States Bankruptcy Laws*) occurs, the Total Commitments will, if not already cancelled under this Agreement, be immediately and automatically cancelled and all amounts outstanding under the Finance Documents will be immediately and automatically due and payable, without the requirement of notice or any other formality.

22. CHANGES TO THE LENDERS

22.1 Assignments and transfers by the Lenders

Subject to this Clause 22, a Lender (the “**Existing Lender**”) may, without the consent of the Borrower:

- (a) assign any of its rights; or
- (b) transfer by novation any of its rights and obligations,

under the Finance Documents to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the “**New Lender**”), provided that the Borrower receives not less than three Business Days prior notice of such assignment or transfer and the identity of the New Lender.

22.2 Conditions of assignment or transfer

- (a) A transfer will be effective only if the procedure set out in Clause 22.5 (*Procedure for transfer*) is complied with.
- (b) An assignment will be effective only if the procedure and conditions set out in Clause 22.6 (*Procedure for assignment*) are complied with.
- (c) If:
 - (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
 - (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 12 (*Tax Gross-Up and Indemnities*) or Clause 13 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

22.3 Assignment or transfer fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of US\$3,500.



22.4 Limitation of responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
- (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,
- and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender, the other Finance Parties and the Secured Parties that it:
- (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
- (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 22; or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

22.5 Procedure for transfer

- (a) Subject to the conditions set out in Clause 22.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender and the Agent has received the assignment or transfer fee (as applicable) pursuant to Clause 22.3 (*Assignment or transfer fee*) in full. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.
- (b) The Agent shall not be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender unless it is satisfied that it has completed all **know your customer** and other similar checks or procedures that it is required (or deems desirable) to conduct in relation to the transfer to such New Lender. The Agent shall not be liable to any party for any damages, costs or losses whatsoever for any delay or failure to execute a Transfer Certificate as a result of such know your customer or other similar procedures.



- (c) Subject to Clause 22.13 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another shall be cancelled (being the “**Discharged Rights and Obligations**”);
 - (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
 - (iii) the Agent, the Arranger, the Security Agent, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arranger, the Security Agent and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
 - (iv) the New Lender shall become a Party as a “Lender”.
- (d) The procedure set out in this Clause 22.5 shall not apply to any right or obligation under any Finance Document (other than this Agreement) if and to the extent its terms, or any laws or regulations applicable thereto, provide for or require a different means of transfer of such right or obligation or prohibit or restrict any transfer of such right or obligation, unless such prohibition or restriction shall not be applicable to the relevant transfer or each condition of any applicable restriction shall have been satisfied.

22.6 Procedure for assignment

- (a) Subject to the conditions set out in paragraph (d) below and in Clause 22.2 (*Conditions of assignment or transfer*), an assignment may be effected in accordance with paragraph (b) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (d)(ii) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.
- (b) Subject to Clause 22.13 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;
 - (ii) the Existing Lender will be released by each Obligor and the other Finance Parties from the obligations owed by it (the “**Relevant Obligations**”) and expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and



- (iii) the New Lender shall become a Party as a “Lender” and will be bound by obligations equivalent to the Relevant Obligations.
- (c) Lenders may utilise procedures other than those set out in this Clause 22.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 22.5 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in paragraph (d) below.
- (d) An assignment (whether pursuant to an Assignment Agreement or paragraph (c) above) will only be effective on:
 - (i) receipt by the Agent (whether in an Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties and the Secured Parties as it would have been under if it was an Original Lender; and
 - (ii) performance by the Agent of all necessary **know your customer** or other similar checks or procedures under all applicable laws and regulations and internal policies in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender. The Agent shall not be obliged to execute an Assignment Agreement delivered to it by an Existing Lender and the New Lender or any document delivered to it pursuant to paragraph (c) above unless it is satisfied that it has completed all **know your customer** and other similar procedures that it is required (or deems desirable) to conduct in relation to the assignment to such New Lender. The Agent shall not be liable to any party for any damages, costs or losses whatsoever for any delay or failure to execute an Assignment Agreement as a result of such know your customer or other similar procedures.
- (e) The procedure set out in this Clause 22.6 shall not apply to any right or obligation under any Finance Document (other than this Agreement) if and to the extent its terms, or any laws or regulations applicable thereto, provide for or require a different means of assignment of such right or release or assumption of such obligation or prohibit or restrict any assignment of such right or release or assumption of such obligation, unless such prohibition or restriction shall not be applicable to the relevant assignment, release or assumption or each condition of any applicable restriction shall have been satisfied.

22.7 Copy of Transfer Certificate or Assignment Agreement to Borrower

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to the Borrower a copy of that Transfer Certificate or Assignment Agreement.

22.8 Maintenance of Register

The Agent, acting for these purposes solely as an agent of the Borrower, will maintain (and make available upon reasonable prior notice at reasonable times for inspection by the Borrower and each Lender) a register for the recordation of, and will record, the names and addresses of the Lenders and the respective amounts of the Commitments and participations in the Loan of each Lender from time to time (the “**Register**”). Absent manifest error, the Register shall be conclusive and binding for all purposes, and the Borrower, the Agent and the Lenders shall treat each person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement.



22.9 Existing consents and waivers

A New Lender shall be bound by any consent, waiver, election or decision given or made by the relevant Existing Lender under or pursuant to any Finance Document prior to the coming into effect of the relevant assignment or transfer to such New Lender.

22.10 Exclusion of Agent's liability

In relation to any assignment or transfer pursuant to this Clause 22, each Party acknowledges and agrees that the Agent shall not be obliged to enquire as to the accuracy of any representation or warranty made by a New Lender in respect of its eligibility as a Lender.

22.11 Assignments and transfers to Obligor group

A Lender may not assign or transfer to any Obligor or any Affiliate of any Obligor any of such Lender's rights or obligations under any Finance Document, except with the prior written consent of all the Lenders.

22.12 Security over Lenders' rights

- (a) In addition to the other rights provided to Lenders under this Clause 22, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:
 - (i) any charge, assignment or other Security to secure obligations to a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) including, without limitation, any assignment of rights to a special purpose vehicle where Security over securities issued by such special purpose vehicle is to be created in favour of a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank);; and
 - (ii) in the case of any Lender which is a fund, any charge, pledge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,
except that no such charge, assignment, pledge or Security shall:
 - (A) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or
 - (B) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.
- (b) The limitations on assignments or transfers by a Lender set out in any Finance Document shall not apply to the creation of Security pursuant to paragraph (a) above.



- (c) The limitations and provisions referred to in paragraph (b) above shall further not apply to any assignment or transfer of rights under the Finance Documents or of the securities issued by the special purpose vehicle, made by a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) to a third party in connection with the enforcement of Security created pursuant to paragraph (a) above.
- (d) Any Lender may disclose such Confidential Information as that Lender shall consider appropriate to a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) to (or through) whom it creates Security pursuant to paragraph (a) above, and any federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) may disclose such Confidential Information to a third party to whom it assigns or transfers (or may potentially assign or transfer) rights under the Finance Documents or the securities issued by the special purpose vehicle in connection with the enforcement of such Security

22.13 Pro rata interest settlement

If the Agent has notified the Lenders that it is able to distribute interest payments on a “pro rata basis” to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 22.5 (*Procedure for transfer*) or any assignment pursuant to Clause 22.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

- (a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (“**Accrued Amounts**”) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six monthly intervals after the first day of that Interest Period); and
- (b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:
 - (i) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and
 - (ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 22.13, have been payable to it on that date, but after deduction of the Accrued Amounts.

23. CHANGES TO THE OBLIGORS

23.1 Assignments and transfers by Obligors

An Obligor may not assign or transfer any of its rights or obligations under any Finance Document, except with the prior written consent of all the Lenders.

23.2 Resignation of the Parent Guarantor

- (a) The Borrower may request that the Parent Guarantor ceases to be a guarantor by delivering to the Agent a Resignation Letter.



- (b) The Agent shall accept a Resignation Letter and notify the Borrower and the Lenders of its acceptance if:
 - (i) no Default is continuing or would result from the acceptance of the Resignation Letter (and the Borrower has confirmed this is the case); and
 - (ii) all the Lenders have consented to the Borrower's request.

24. ROLE OF THE ADMINISTRATIVE PARTIES

24.1 Appointment of the Agent

- (a) Each of the other Finance Parties appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each of the other Finance Parties authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

24.2 Duties of the Agent

- (a) Subject to paragraph (b) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (b) Without prejudice to Clause 22.7 (*Copy of Transfer Certificate or Assignment Agreement to Borrower*), paragraph (a) above shall not apply to any Transfer Certificate or to any Assignment Agreement.
- (c) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (e) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than to any Administrative Party) under this Agreement it shall promptly notify the other Finance Parties.
- (f) The Agent shall have only those duties, obligations and responsibilities expressly specified under the Finance Documents.
- (g) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

24.3 Role of the Arranger

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

24.4 No fiduciary duties

- (a) Nothing in any Finance Document constitutes any Administrative Party as a trustee or fiduciary of any other person.



- (b) No Administrative Party shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

24.5 Business with the Group

Any Administrative Party may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

24.6 Rights and discretions of the Agent

- (a) The Agent may rely on:
 - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised and shall have no duty to verify any signature on any document;
 - (ii) any statement purportedly made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify; and
 - (iii) a certificate from any person
 - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
 - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing, as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
 - (i) any instructions received by it from the Majority Lenders, any Lender or any group of Lenders are duly given in accordance with the terms of the Finance Documents;
 - (ii) unless it has received notice of revocation, those instructions have not been revoked;
 - (iii) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 21.1 (*Non-payment*));
 - (iv) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and
 - (v) any notice or request made by the Borrower is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be necessary.



- (e) The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (f) The Agent may act in relation to the Finance Documents through its personnel and agents.
- (g) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (h) The Agent shall not be bound to enquire:
 - (i) whether or not any Default has occurred;
 - (ii) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
 - (iii) whether any other event specified in any Finance Document has occurred.
- (i) Notwithstanding any other provision of any Finance Document to the contrary, no Administrative Party is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (j) Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

24.7 Majority Lenders' instructions

- (a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion and perform any duties, obligations authorities vested in it as Agent in accordance with any written instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion or performing any duties, obligations and authorities vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.
- (b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties other than the Security Agent.
- (c) The Agent may refrain from acting in accordance with the written instructions of the Majority Lenders (or, if appropriate, the Lenders) or under paragraph (d) below until it has received such security as it may require for any cost, loss or liability (together with any associated Indirect Tax) which it may incur in complying with the instructions.



- (d) In the absence of written instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.
- (e) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion. The Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
- (f) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.
- (g) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (g) shall not apply to any legal or arbitration proceedings relating to the perfection, preservation or protection of rights under the Transaction Security Documents or enforcement of any Transaction Security or Transaction Security Documents.

24.8 Responsibility for documentation

No Administrative Party:

- (a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by any Administrative Party, an Obligor or any other person given in or in connection with any Finance Document or the Information Package; or
- (b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document or the Transaction Security; or
- (c) is responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

24.9 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent), the Agent shall not be liable for any cost, loss or liability incurred by any Party as a consequence of:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct;



- (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document, other than by reason of its gross negligence or wilful misconduct; or
- (iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever but not including any claim based on the fraud of the Agent arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control; or
 - (B) the general risks of investment in, or the holding of assets in, any jurisdiction, including (in each case) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.
- (b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause 24 subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige any Administrative Party to conduct:
 - (i) any “know your customer” or other procedures in relation to any person; or
 - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender,on behalf of any Lender and each Lender confirms to each Administrative Party that it is solely responsible for any such procedures or check it is required to conduct and that it shall not rely on any statement in relation to such procedures or check made by any Administrative Party.
- (e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent’s liability, any liability of the Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.



- (f) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's or the Security Agent's liability, amounts received by the Agent or the Security Agent pursuant to the terms of the Finance Documents shall not be held as client money and shall not be interest-bearing.

24.10 Lenders' indemnity to the Agent

- (a) Each Lender shall, in accordance with paragraph (b) below, indemnify the Agent, within three Business Days of demand, against any cost, loss or liability incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).
- (b) The proportion of such cost, loss or liability to be borne by each Lender shall be:
 - (i) if the Loan is outstanding, the proportion borne by (A) the sum of its participation in the Loan then outstanding to (B) the aggregate amount of the Loan;
 - (ii) if there is no Loan then outstanding and the Available Facility is then greater than zero, the proportion borne by (A) its Available Commitment to (B) the Available Facility; or
 - (iii) if there is no Loan then outstanding and the Available Facility is then zero:
 - (A) if the Available Facility became zero after the Loan ceased to be outstanding, the proportion borne by (I) its Available Commitment to (II) the Available Facility immediately before the Available Facility became zero; or
 - (B) if the Loan ceased to be outstanding after the Available Facility became zero, the proportion borne by (I) the sum of its participation in the Loan outstanding immediately before the Loan ceased to be outstanding to (II) the aggregate amount of the Loan.

24.11 Resignation of the Agent

- (a) The Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrower.
- (b) Alternatively the Agent may resign by giving notice to the other Finance Parties and the Borrower, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 30 days after notice of resignation was given, the retiring Agent (after consultation with the Borrower) may appoint a successor Agent.
- (d) The retiring Agent shall make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents. The Borrower shall, within three Business Days of demand, reimburse the retiring Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making availing such documents and records and providing such assistance.



- (e) The Agent's resignation notice shall take effect only upon the appointment of a successor.
- (f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 24. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (g) After consultation with the Borrower, the Majority Lenders may, by notice to the Agent, require it to resign in accordance with paragraph (b) above. In this event, the Agent shall resign in accordance with paragraph (b) above.
- (h) The Agent shall resign in accordance with paragraph (b) above and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:
 - (i) the Agent fails to respond to a request under Clause 12.8 (*FATCA Information*) and the Borrower or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Agent pursuant to Clause 12.8 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Agent notifies the Borrower and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,and (in each case) the Borrower or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Borrower or that Lender, by notice to the Agent, requires it to resign.

24.12 Replacement of the Agent

- (a) After consultation with the Borrower, the Majority Lenders may, by giving 30 days' notice to the Agent replace the Agent by appointing a successor Agent.
- (b) The retiring Agent shall, at the expense of the Lenders, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of Clause 15.3 (*Indemnity to the Agent*) and this Clause 24 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).



- (d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

24.13 Confidentiality

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate legal person from any other of its branches, divisions or departments.
- (b) If information is received by another branch, division or department of the legal person which is the Agent, it may be treated as confidential to that branch, division or department and the Agent shall not be deemed to have notice of it.
- (c) The Agent shall not be obliged to disclose to any Finance Party any information supplied to it by the Borrower or any Affiliates of the Borrower on a confidential basis and for the purpose of evaluating whether any waiver or amendment is or may be required or desirable in relation to any Finance Document.

24.14 Relationship with the other Finance Parties

- (a) Subject to Clause 22.13 (*Pro rata interest settlement*) and Clause 30.2 (*Distributions by the Agent*), the Agent may treat each Lender as a Lender entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.
- (b) Each Lender shall supply the Agent with any information that the Security Agent may reasonably specify (through the Agent) as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent. Each Lender shall deal with the Security Agent exclusively through the Agent.
- (c) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 33 (*Notices*)) corporate electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute corporate email address, address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 33.2 (*Addresses*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

24.15 Credit appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to each Administrative Party that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;



- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Transaction Security, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (d) the adequacy, accuracy and/or completeness of the Information Package, the Reports and any other information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

24.16 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

24.17 Reliance and engagement letters

Each Finance Party and Secured Party confirms that each of the Arranger and the Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Arranger or Agent) the terms of any reliance letter or engagement letters relating to the Reports or any reports or letters provided by accountants in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those Reports, reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

24.18 Agent's management time

Any amount payable to the Agent under Clause 15.3 (*Indemnity to the Agent*), Clause 16 (*Costs and Expenses*) and Clause 24.10 (*Lenders' indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Borrower and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 11 (*Fees*).



24.19 Role of Reference Banks

- (a) No Reference Bank is under any obligation to provide a quotation or any other information to the Agent.
- (b) No Reference Bank will be liable for any action taken by it under or in connection with any Finance Document, or for any Reference Bank Quotation, unless directly caused by its gross negligence or wilful misconduct.
- (c) No Party (other than the relevant Reference Bank) may take any proceedings against any officer, employee or agent of any Reference Bank in respect of any claim it might have against that Reference Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document, or to any Reference Bank Quotation, and any officer, employee or agent of each Reference Bank may rely on this Clause 24.19 subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

24.20 Third party Reference Banks

A Reference Bank which is not a Party may rely on Clause 24.19 (*Role of Reference Banks*), Clause 37.3 (*Other exceptions*) subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

25. THE SECURITY AGENT

25.1 Trust

- (a) The Security Agent declares that it shall hold the Security Property on trust or as agent for the Secured Parties on the terms contained in this Agreement.
- (b) Each of the parties to this Agreement agrees that the Security Agent shall have only those duties, obligations and responsibilities expressly specified in this Agreement or in the Transaction Security Documents to which the Security Agent is expressed to be a party (and no others shall be implied).

25.2 No independent power

The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any rights or powers arising under the Transaction Security Documents except through the Security Agent.

25.3 Instructions to Security Agent and exercise of discretion

- (a) Subject to paragraphs (d) and (e) below, the Security Agent shall act in accordance with any instructions given to it by Agent (acting on the written instructions of the Majority Lenders) or, if so instructed by the Agent (acting on the written instructions of the Majority Lenders), refrain from exercising any right, power, authority or discretion vested in it as Security Agent and shall be entitled to assume that (i) any instructions received by it from the Agent, the Lenders or the Majority Lenders are duly given in accordance with the terms of the Finance Documents and (ii) unless it has received actual notice of revocation, that those instructions or directions have not been revoked.
- (b) The Security Agent shall be entitled to request instructions, or clarification of any direction, from the Agent (acting on the written instructions of the Majority Lenders) or the Majority Lenders as to whether, and in what manner, it should exercise or refrain from exercising any rights, powers, authorities and discretions and the Security Agent may refrain from acting unless and until those instructions or clarification are received by it.



- (c) Any instructions given to the Security Agent by Agent (acting on the written instructions of the Majority Lenders) shall override any conflicting instructions given by any other Parties.
- (d) Paragraph (a) above shall not apply:
 - (i) where a contrary indication appears in this Agreement;
 - (ii) where this Agreement requires the Security Agent to act in a specified manner or to take a specified action;
 - (iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the Secured Parties including, without limitation, the provisions set out in Clause 25.5 (*Security Agent's discretions*) to Clause 25.19 (*Trustee division separate*);
 - (iv) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:
 - (A) Clause 27.1 (*Order of application*);
 - (B) Clause 27.2 (*Prospective liabilities*); and
 - (C) Clause 27.5 (*Permitted Deductions*).
- (e) If giving effect to instructions given by the Agent (acting on the written instructions of the Majority Lenders) would (in the Security Agent's opinion) have an effect equivalent to an amendment or waiver referred to in Clause 37.2 (*All lender matters*) or Clause 28.5 (*Exceptions*), the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Security Agent) whose consent would have been required in respect of that amendment or waiver.
- (f) In exercising any discretion to exercise a right, power or authority under this Agreement where either:
 - (i) it has not received any instructions from the Agent (acting on the written instructions of the Majority Lenders) as to the exercise of that discretion; or
 - (ii) the exercise of that discretion is subject to paragraph (d)(iv) above,the Security Agent shall do so having regard to the interests of all the Secured Parties.

25.4 Security Agent's Actions

Without prejudice to the provisions of Clause 25.3 (*Instructions to Security Agent and exercise of discretion*), the Security Agent may (but shall not be obliged to), in the absence of any instructions to the contrary, take such action in the exercise of any of its powers and duties under the Finance Documents as it considers in its discretion to be appropriate.



25.5 Security Agent's discretions

The Security Agent may:

- (a) assume (unless it has received actual notice to the contrary from the Agent) that (i) no Default has occurred and no Obligor is in breach of or default under its obligations under any of the Finance Documents and (ii) any right, power, authority or discretion vested by any Finance Document in any person has not been exercised;
- (b) if it receives any instructions or directions to take any action in relation to the Transaction Security, assume that all applicable conditions under the Finance Documents for taking that action have been satisfied;
- (c) engage, pay for and rely on the advice or services of any legal advisers, accountants, tax advisers, surveyors or other experts (whether obtained by the Security Agent or by any other Secured Party) whose advice or services may at any time seem necessary, expedient or desirable;
- (d) rely upon any communication or document believed by it to be genuine and, as to any matters of fact which might reasonably be expected to be within the knowledge of a Secured Party, or an Obligor, upon a certificate signed by or on behalf of that person; and
- (e) refrain from acting in accordance with the instructions of any Party (including bringing any legal action or proceeding arising out of or in connection with the Finance Documents) until it has received any indemnification and/or security that it may in its discretion require (whether by way of payment in advance or otherwise) for all costs, losses and liabilities which it may incur in so acting.

25.6 Security Agent's obligations

The Security Agent shall promptly:

- (a) copy to the Agent the contents of any notice or document received by it from any Obligor under any Finance Document;
- (b) forward to a Party the original or a copy of any document which is delivered to the Security Agent for that Party by any other Party **provided that**, except where a Finance Document expressly provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party; and
- (c) inform the Agent of the occurrence of any Default or any default by an Obligor in the due performance of or compliance with its obligations under any Finance Document of which the Security Agent has received notice from any other Party.

25.7 Excluded obligations

Notwithstanding anything to the contrary expressed or implied in the Finance Documents, the Security Agent shall not:

- (a) be bound to enquire as to (i) whether or not any Default has occurred or (ii) the performance, default or any breach by an Obligor of its obligations under any of the Finance Documents;
- (b) be bound to account to any other Party for any sum or the profit element of any sum received by it for its own account;
- (c) be bound to disclose to any other person (including but not limited to any Secured Party) (i) any confidential information or (ii) any other information if disclosure would, or might in its reasonable opinion, constitute a breach of any law or be a breach of fiduciary duty; or



- (d) have or be deemed to have any relationship of trust or agency with, any Obligor.

25.8 Exclusion of liability

None of the Security Agent, any Receiver or any Delegate shall accept responsibility or be liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security Agent or any other person in or in connection with any Finance Document or the transactions contemplated in the Finance Documents, or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Security Property;
- (c) any losses to any person or any liability arising as a result of taking or refraining from taking any action in relation to any of the Finance Documents, the Security Property or otherwise, whether in accordance with an instruction from the Agent or otherwise unless directly caused by its gross negligence or wilful misconduct;
- (d) the exercise of, or the failure to exercise, any judgment, discretion or power given to it by or in connection with any of the Finance Documents, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, the Finance Documents or the Security Property; or
- (e) any shortfall which arises on the enforcement or realisation of the Security Property.

25.9 No proceedings

No Party (other than the Security Agent, that Receiver or that Delegate) may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Security Property and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this Clause 25.9 subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

25.10 Own responsibility

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Secured Party confirms to the Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy and enforceability of any Finance Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Security Property;



- (c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Security Property, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Security Property;
- (d) the adequacy, accuracy and/or completeness of any information provided by the Security Agent or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property,

and each Secured Party warrants to the Security Agent that it has not relied on and will not at any time rely on the Security Agent in respect of any of these matters.

25.11 No responsibility to perfect Transaction Security

The Security Agent shall not be liable for any failure to:

- (a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Obligor to any of the Charged Property;
- (b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any of the Finance Documents or the Transaction Security;
- (c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any applicable laws in any jurisdiction or to give notice to any person of the execution of any of the Finance Documents or of the Transaction Security;
- (d) take, or to require any of the Obligors to take, any steps to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security under the laws of any jurisdiction; or
- (e) require any further assurances in relation to any of the Transaction Security Documents.

25.12 Insurance by Security Agent

- (a) The Security Agent shall not be under any obligation to insure any of the Charged Property, to require any other person to maintain any insurance or to verify any obligation to arrange or maintain insurance contained in the Finance Documents. The Security Agent shall not be responsible for any loss which may be suffered by any person as a result of the lack of or inadequacy of any such insurance.
- (b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be responsible for any loss which may be suffered by reason of, directly or indirectly, its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Agent shall have requested it to do so in writing and the Security Agent shall have failed to do so within 14 days after receipt of that request.



25.13 Custodians and nominees

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any assets of the trust or any assets over which Security has been created pursuant to Transaction Security as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

25.14 Acceptance of title

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any of the Obligor may have to any of the Charged Property and shall not be liable for or bound to require any Obligor to remedy any defect in its right or title.

25.15 Refrain from illegality

Notwithstanding anything to the contrary expressed or implied in the Finance Documents, the Security Agent may refrain from doing anything which in its opinion will or may be contrary to any relevant law, directive or regulation of any jurisdiction and the Security Agent may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

25.16 Business with the Obligors

The Security Agent may accept deposits from, lend money to, and generally engage in any kind of banking or other business with any of the Obligors.

25.17 Winding up of trust

If the Security Agent, with the approval of the Majority Lenders, determines that all of the Secured Liabilities and all other liabilities secured by the Transaction Security Documents have been fully and finally discharged and none of the Secured Parties is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Obligor pursuant to the Finance Documents:

- (a) the trusts set out in this Agreement shall be wound up and the Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Security Agent under each of the Transaction Security Documents; and
- (b) any Retiring Security Agent shall release, without recourse or warranty, all of its rights under each of the Transaction Security Documents.

25.18 Powers supplemental

The rights, powers and discretions conferred upon the Security Agent by this Agreement shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by general law or otherwise.



25.19 Trustee division separate

- (a) In acting as trustee for the Secured Parties, the Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any of its other divisions or departments.
- (b) If information is received by another division or department of the Security Agent, it may be treated as confidential to that division or department and the Security Agent shall not be deemed to have notice of it.

25.20 Disapplication

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, the provisions of this Agreement shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement shall constitute a restriction or exclusion for the purposes of that Act.

25.21 Lenders' indemnity to the Security Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Security Agent and every Receiver and every Delegate, within three Business Days of demand, against any cost, loss or liability incurred by any of them (otherwise than by reason of the Security Agent's gross negligence or wilful misconduct) in acting as Security Agent, Receiver or Delegate under the Finance Documents (unless the relevant Security Agent, Receiver or Delegate has been reimbursed by an Obligor pursuant to a Finance Document) and the Obligors shall jointly and severally indemnify each Lender against any payment made by it under this Clause 25.21.

25.22 Conflict with the Transaction Security Documents

- (a) If there is any conflict between this Agreement and any Transaction Security Document with regard to instructions to, or other matters affecting, the Security Agent, this Agreement will prevail.
- (b) Each Lender shall deal with the Security Agent exclusively through the Agent.

25.23 Notification of prescribed events

- (a) If an Event of Default either occurs or ceases to be continuing the Agent shall, upon becoming aware of that occurrence or cessation, notify the Security Agent.
- (b) If the Security Agent enforces, or takes formal steps to enforce, any of the Transaction Security it shall notify each Party of that action.
- (c) If any Finance Party exercises any right it may have to enforce, or to take formal steps to enforce, any of the Transaction Security it shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each Party of that action.
- (d) If a prepayment under Clause 7 (*Prepayment and Cancellation*) is waived the Agent shall notify the Security Agent of the amount of the prepayment waived.



26. CHANGE OF SECURITY AGENT AND DELEGATION

26.1 Resignation of the Security Agent

- (a) The Security Agent may resign and appoint one of its affiliates as successor by giving notice to the Borrower and the Majority Lenders.
- (b) Alternatively the Security Agent may resign by giving notice to the other Parties in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Security Agent.
- (c) If the Majority Lenders have not appointed a successor Security Agent in accordance with paragraph (b) above within 30 days after the notice of resignation was given, the Security Agent (after consultation with the Agent) may appoint a successor Security Agent.
- (d) The retiring Security Agent (the “**Retiring Security Agent**”) shall, at its own cost, make available to the successor Security Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Finance Documents.
- (e) The Security Agent’s resignation notice shall only take effect upon (i) the appointment of a successor and (ii) the transfer of all of the Security Property to that successor.
- (f) Upon the appointment of a successor, the Retiring Security Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) of Clause 25.17 (*Winding up of trust*) and under paragraph (d) above) but shall, in respect of any act or omission by it whilst it was the Security Agent, remain entitled to the benefit of Clause 25 (*The Security Agent*), Clause 15.4 (*Obligors’ indemnity to the Security Agent*) and Clause 25.21 (*Lenders’ indemnity to the Security Agent*). Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.
- (g) The Majority Lenders may(after consultation with the Borrower), by notice to the Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Security Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (d) above shall be for the account of the Borrower.
- (h) The Security Agent shall resign in accordance with paragraph (b) above and, to the extent applicable, shall use reasonable endeavours to appoint a successor Security Agent pursuant to paragraph (a) above if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Security Agent under the Finance Documents, either:
 - (i) the Security Agent fails to respond to a request under Clause 12.8 (*FATCA Information*) and the Borrower or a Lender reasonably believes that the Security Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Security Agent pursuant to Clause 12.8 (*FATCA Information*) indicates that the Security Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or



- (iii) the Security Agent notifies the Borrower and the Lenders that the Security Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,
and (in each case) the Borrower or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Security Agent were a FATCA Exempt Party, and the Borrower or that Lender, by notice to the Security Agent, requires it to resign.

26.2 Delegation

- (a) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any of the rights, powers and discretions vested in it by any of the Finance Documents.
- (b) That delegation may be made upon any terms and conditions (including the power to sub delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub delegate.

26.3 Additional Security Agents

- (a) The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or agent or as a co-trustee or co agent jointly with it (i) if it considers that appointment to be in the interests of the Secured Parties or (ii) for the purposes of conforming to any legal requirements, restrictions or conditions which the Security Agent deems to be relevant or (iii) for obtaining or enforcing any judgment in any jurisdiction, and the Security Agent shall give prior notice to the Borrower and each of the Agents of that appointment.
- (b) Any person so appointed shall have the rights, powers and discretions (not exceeding those conferred on the Security Agent by this Agreement) and the duties and obligations that are conferred or imposed by the instrument of appointment.
- (c) The remuneration that the Security Agent may pay to that person, and any costs and expenses (together with any applicable Indirect Tax) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security Agent.

27. APPLICATION OF PROCEEDS

27.1 Order of application

Subject to Clause 27.2 (*Prospective liabilities*), all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Finance Document or in connection with the realisation or enforcement of all or any part of the Transaction Security (for the purposes of this Clause 27, the “**Recoveries**”) shall be held by the Security Agent on trust or as agent to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this Clause 27), in the following order:

- (a) in discharging any sums owing to the Security Agent, any Receiver or any Delegate under the Finance Documents;



- (b) in payment of all costs and expenses incurred by the Agent or any Secured Party in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Agreement;
- (c) in payment:
 - (i) to the Agent on its own behalf and on behalf of the Lenders; and
 - (ii) for application towards the discharge of the Loan Debt;
- (d) if none of the Obligor is under any further actual or contingent liability under any Finance Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Obligor; and
- (e) the balance, if any, in payment to the relevant Obligor.

27.2 Prospective liabilities

Following enforcement of any of the Transaction Security the Security Agent may, in its discretion, hold any amount of the Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) for later application under Clause 27.1 (*Order of application*) in respect of:

- (a) any sum payable to the Security Agent, any Receiver or any Delegate; and
- (b) any part of the Secured Liabilities,

that the Security Agent reasonably considers, in each case, might become due or owing at any time in the future.

27.3 Investment of proceeds

Prior to the application of the Recoveries in accordance with Clause 27.1 (*Order of application*) the Security Agent may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the application from time to time of those moneys in the Security Agent's discretion in accordance with the provisions of this Clause 27.

27.4 Currency Conversion

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities the Security Agent may convert any moneys received or recovered by the Security Agent from one currency to another, at the Security Agent's Spot Rate of Exchange.
- (b) The obligations of any Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

27.5 Permitted Deductions

The Security Agent shall be entitled, in its reasonable discretion:

- (a) to set aside by way of reserve amounts required to meet, and to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Agreement; and



- (b) to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

27.6 Good Discharge

- (a) Any payment to be made in respect of the Secured Liabilities by the Security Agent
 - (i) may be made to the Agent on behalf of the Finance Parties; and any payment made in that way shall be a good discharge, to the extent of that payment, by the Security Agent.
- (b) The Security Agent is under no obligation to make the payments to the Agent under paragraph (a) of this Clause 27.6 in the same currency as that in which the obligations and liabilities owing to the relevant Finance Party are denominated.

28. SHARING AMONG THE FINANCE PARTIES

28.1 Payments to Finance Parties

If a Finance Party (a “**Recovering Finance Party**”) receives or recovers (whether by set-off or otherwise) any amount from an Obligor other than in accordance with Clause 29 (*Bail-In*) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the “**Sharing Payment**”) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 30.5 (*Partial payments*).

28.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the “**Sharing Finance Parties**”) in accordance with Clause 30.5 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

28.3 Recovering Finance Party’s rights

- (a) On a distribution by the Agent under Clause 28.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.
- (b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.



28.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the “**Redistributed Amount**”); and
- (b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

28.5 Exceptions

- (a) This Clause 28 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (i) it notified that other Finance Party of the legal or arbitration proceedings; and
 - (ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

29. BAIL-IN

29.1 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.”

29.2 Definitions

For the purposes of this Clause 29:

“**Bail-In Action**” means the exercise of any Write-down and Conversion Powers.



“**Bail-In Legislation**” means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and
- (b) in relation to any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

“**EEA Member Country**” means any member state of the European Union, Iceland, Liechtenstein and Norway.

“**EU Bail-In Legislation Schedule**” means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

“**Resolution Authority**” means any body which has authority to exercise any Write-down and Conversion Powers.

“**Write-down and Conversion Powers**” means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule; and
- (b) in relation to any other applicable Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation.

30. PAYMENT MECHANICS

30.1 Payments to the Agent

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency with such bank as the Agent specifies.



30.2 Distributions by the Agent

- (a) Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 30.3 (*Distributions to an Obligor*) and Clause 30.4 (*Clawback*), be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank in the principal financial centre of the country of that currency.
- (b) The Agent shall distribute payments received by it in relation to all or any part of the Loan to the Lender indicated in the records of the Agent as being so entitled on that date Provided that the Agent is authorised to distribute payments to be made on the date on which any transfer becomes effective pursuant to Clause 22 (*Changes to the Lenders*)) to the Lender so entitled immediately before such transfer took place regardless of the period to which such sums relate.

30.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 31 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied, provided such amount is due and unpaid.

30.4 Clawback

- (a) Where a sum is to be paid to the Agent or the Security Agent under the Finance Documents for another Party, the Agent or the Security Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

30.5 Partial payments

- (a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:
 - (i) **first**, in or towards payment pro rata of any unpaid fees, costs and expenses of, and other amounts owing to, the Agent, the Security Agent, any Receiver or any Delegate under the Finance Documents;
 - (ii) **secondly**, in or towards payment pro rata of any accrued interest, fee (other than as provided in (i) above) or commission due but unpaid under the Finance Documents (including, without limitation, any periodic payments);



- (iii) **thirdly**, in or towards payment pro rata of any principal due but unpaid under this Agreement; and
- (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents,
- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (a)(iv) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

30.6 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

30.7 Business Days

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under paragraph (a) above, interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

30.8 Currency of account

- (a) Subject to paragraphs (b) and (c) below, U.S. dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (c) Any amount expressed to be payable in a currency other than U.S. dollars shall be paid in that other currency.

30.9 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrower); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.



31. SET-OFF

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

32. TURNOVER OF RECEIPTS

32.1 Turnover by the Lenders

Subject to Clause 32.2 (*Permitted assurance and receipts*), if at any time prior to the date on which the Agent is satisfied that the Borrower is or may become under any actual or contingent liability under any Finance Document, any Lender receives or recovers:

- (a) any payment or distribution of, or on account of or in relation to, any of the Relevant Debt which is not made in accordance with Clause 27 (*Application of Proceeds*);
- (b) other than where Clause 31 (*Set-Off*) applies, any amount by way of set-off in respect of any of the Relevant Debt owed to it;
- (c) notwithstanding paragraphs (a) and (b) above, and other than where Clause 31 (*Set-Off*) applies, any amount:
 - (i) on account of, or in relation to, any of the Relevant Debt:
 - (A) after the occurrence of a Distress Event; or
 - (B) as a result of any other litigation or proceedings against the Borrower (other than after the occurrence of an Insolvency Event in respect of the Borrower or any Obligor); or
 - (ii) by way of set-off in respect of any of the Relevant Debt owed to it after the occurrence of a Distress Event, other than, in each case, any amount received or recovered in accordance with Clause 27 (*Application of Proceeds*);
- (d) the proceeds of any enforcement of any Transaction Security except in accordance with Clause 27 (*Application of Proceeds*); or
- (e) other than where Clause 31 (*Set-Off*) applies, any distribution in cash or in kind or payment of, or on account of or in relation to, any of the Relevant Debt owed by the Borrower or any Obligor which is not in accordance with Clause 27 (*Application of Proceeds*) and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of the Borrower, and any Obligor;

that Lender will, in relation to receipts and recoveries not received or recovered by way of set-off:

- (x) hold an amount of that receipt or recovery equal to the Relevant Debt (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Agreement; and



- (y) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Debt to the Security Agent for application in accordance with the terms of this Agreement; and
- (z) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of this Agreement.

32.2 Permitted assurance and receipts

Nothing in this Agreement shall restrict the ability of any Lender to:

- (a) arrange with any person which is not a member of the Group any assurance against loss in respect of, or reduction of its credit exposure to, the Borrower (including assurance by way of credit based derivative or sub-participation); or
- (b) make any assignment or transfer permitted by Clause 22 (*Changes to the Lenders*),

which is not in breach of this Agreement, and that Lender shall not be obliged to account to any other Party for any sum received by it as a result of that action.

32.3 Sums received by the Borrower

If the Borrower receives or recovers any sum which, under the terms of any of the Finance Documents, which should have been paid to the Security Agent, the Borrower will:

- (a) hold an amount of that receipt or recovery equal to the Relevant Debt (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Agreement; and
- (b) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Debt to the Security Agent for application in accordance with the terms of this Agreement.

32.4 Saving provision

If, for any reason, any of the trusts expressed to be created in this Clause 32 should fail or be unenforceable, the affected Lender, the Borrower will promptly pay an amount equal to that receipt or recovery to the Security Agent to be held on trust by the Security Agent for application in accordance with the terms of this Agreement.

32.5 Definitions

For the purposes of this Clause 32:

“**Relevant Debt**” means:

- (a) in the case of a Lender:
 - (i) the Loan Debt owed to the Arrangers ranking (in accordance with the terms of this Agreement) pari passu with or in priority to that Lender;



- (ii) the Loan Debt owed to the Lenders ranking (in accordance with the terms of this Agreement) pari passu with or in priority to that;
 - (iii) all Loan Debt owed to the Agent;
 - (iv) all Loan Debt owed to the Security Agent; and
- (b) in the case of the Borrower, all of the Loan Debt.

33. NOTICES

33.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by electronic mail (“**email**”) (including scanned copies of executed documents and other attachments), fax or letter.

33.2 Addresses

The corporate email address, address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Borrower, that identified with its name below;

Borrower

Address: CIM CORPORATE SERVICES LTD.
 Les Cascades Building,
 Edith Cavell Street, Port Louis, Mauritius

E-mail Address: Dhiraj.Sooneelall@cimglobalbusiness.com

Fax: + 230 212 9833

Attention: the Directors

- (b) in the case of the Arrangers:

HSBC Bank (Mauritius) Limited

Address: 6th Floor, HSBC Centre, 18 CyberCity, Ebene, Mauritius

Email Address: karanbyce@hsbc.co.mu, hsakauloo@hsbc.co.mu and Maya Seewooruttun (maya.seewooruttun@hsbc.co.mu)

Fax: +230 403 0999; +230 403 0990

Attention: Karan Singh Byce, Hajrah Sakauloo, Maya Seewooruttun



Standard Chartered Bank

Address: 1 Basinghall Avenue
London, EC2V 5DD
United Kingdom

Email Address: UK.LPUInstructions@sc.com; Babu.Abhilash@sc.com;
Karthikeyan.Loganathan@sc.com; Rajesh.Janakiraman@sc.com;
Sanal.Kumar@sc.com

Fax: +44 (0) 207 885 8071; +44 (0) 207 885 6504

Attention: Karthikeyan Loganathan; Abhilash Babu; Kumar Sanal; Janakiraman Rajesh

(c) in the case of the Agent and the Security Agent, that identified with its name below,

Agent

Address: 6th Floor, HSBC Centre, 18 CyberCity, Ebene, Mauritius

Email Address: karanbyce@hsbc.co.mu, hsakauloo@hsbc.co.mu and Maya Seewooruttun (maya.seewooruttun@hsbc.co.mu)

Fax: +230 403 0999; +230 403 0990

Attention: Karan Singh Byce, Hajrah Sakauloo, Maya Seewooruttun

Security Agent

Address: 6th Floor, HSBC Centre, 18 CyberCity, Ebene, Mauritius

Email Address: karanbyce@hsbc.co.mu, hsakauloo@hsbc.co.mu and Maya Seewooruttun (maya.seewooruttun@hsbc.co.mu)

Fax: +230 403 0999; +230 403 0990

Attention: Karan Singh Byce, Hajrah Sakauloo, Maya Seewooruttun

33.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will be effective:
- (i) if by way of email, only when received in legible form by at least one of the relevant corporate email addresses of the person(s) to whom the communication is made;
 - (ii) if by way of fax, only when received in legible form; or
 - (iii) if by way of letter, only when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,
- and, (in the case of paragraphs (ii) and (iii) above) if a particular department or officer is specified as part of its address details provided under Clause 33.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Agent or the Security Agent will be effective only when actually received by the Agent or the Security Agent and then only if it is sent to the correct corporate email address(es) or, in the case of a fax or a letter, expressly marked for the attention of the department or officer identified with the Agent's or the Security Agent's signature below (or any substitute department or officer as the Agent or the Security Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.



- (d) Any communication or document made or delivered to the Borrower in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.
- (e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

33.4 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

34. CALCULATIONS AND CERTIFICATES

34.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate, in the absence of manifest error.

34.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

34.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

35. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

36. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any of the Finance Documents on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.



37. AMENDMENTS AND WAIVERS

37.1 Required consents

- (a) Subject to Clause 37.2 (*All lender matters*) and any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors' Agent (in accordance with Clause 2.3 (*Obligors' Agent*) and paragraph (c) below) and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 37.
- (c) Without prejudice to the other provisions of this Agreement, the Borrower agrees (and shall procure that each Obligor agrees) to any such amendment or waiver permitted by this Clause 37 which is agreed to by the Obligors' Agent. This includes any amendment or waiver which would, but for this paragraph (c) require the consent of all of the Obligors.
- (d) Without prejudice to the generality of paragraphs (c), (d) and (e) of Clause 24.6 (*Rights and discretions of the Agent*), the Agent may, whenever it deems appropriate, engage and rely on the advice of external legal counsel in determining the level of consent required in respect of any amendment, waiver or consent under this Agreement.

37.2 All lender matters

- (a) An amendment or waiver that has the effect of changing or which relates to:
 - (i) the definition of "Majority Lenders" in Clause 1.1 (*Definitions*);
 - (ii) an extension to the date of payment of any amount under the Finance Documents;
 - (iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
 - (iv) an increase in the amount of any Commitment or an extension of the period of availability for utilisation of any Commitment or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the Facility;
 - (v) any provision which expressly requires the consent of all the Lenders;
 - (vi) a change to the Borrower or the Parent Guarantor;
 - (vii) Clause 2.2 (*Finance Parties' rights and obligations*), Clause 22 (*Changes to the Lenders*) or this Clause 37;
 - (viii) the nature or scope or release of the guarantee and indemnity granted under any Transaction Security Document unless permitted under any Finance Document; or
 - (ix) the manner in which the proceeds of enforcement of the Transaction Security are distributed,shall not be made without the prior consent of all the Lenders.



- (b) The Borrower and the Agent or Security Agent, as applicable, may amend or waive a term of a Fee Letter to which they are party.
- (c) An amendment or waiver which relates to the rights or obligations of any Administrative Party may not be effected without the consent of such Administrative Party.

37.3 Other exceptions

An amendment or waiver which relates to the rights or obligations of the Agent or the Arranger or a Reference Bank (each in their capacity as such) may not be effected without the consent of the Agent, the Arranger or that Reference Bank, as the case may be.

38. DISCLOSURE OF INFORMATION

38.1 Confidentiality

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 38.2 (*Disclosure of Confidential Information*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information

38.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its head office, other branches and regional offices, Affiliates and Related Funds and all its other affiliated companies and any of its or their officers, directors, employees, professional advisers, auditors, partners, insurers, insurance brokers, service providers and Representatives such Confidential Information as that Finance Party shall consider appropriate for any purposes as it thinks fit if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is made aware in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
 - (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (iii) appointed by any Finance Party or by a person to whom paragraph (a)(i) or (a)(ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (c) of Clause 24.14 (*Relationship with the other Finance Parties*));



- (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (a)(i) or (a)(ii) above;
- (v) to whom information is required or requested to be disclosed by any court or tribunal of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom information is required or requested to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 22.12 (*Security over Lenders' rights*);
- (viii) who is a Party; or
- (ix) with the consent of the Borrower,

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (a)(i), (a)(ii) and (a)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
 - (B) in relation to paragraph (a)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
 - (C) in relation to paragraphs (a)(v), (a)(vi) and (a)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;
- (c) to any person appointed by that Finance Party or by a person to whom paragraph (a)(i) or (a)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrower and the relevant Finance Party; or



- (d) to any rating agency (including its professional advisers) or direct or indirect provider of credit protection to any Finance Party or its Affiliates such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency or direct or indirect provider of credit protection to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

38.3 Entire agreement

This Clause 38 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

38.4 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

38.5 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower in writing:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to Clause 38.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 38.

38.6 Continuing obligations

The obligations in this Clause 38 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 24 months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

For the avoidance of doubt, the consent to disclosure authorised in this Clause 38 shall not replace or prejudice but shall be in addition to any other consent or right of disclosure which the Finance Party may have received or be entitled to (whether under law, agreement or otherwise).



For the purpose of any banking secrecy obligation which may be imposed upon any Finance Party pursuant to any applicable law, rule or regulation, the disclosure authorization given herein shall survive and continue in full force and effect for the benefit of that Finance Party notwithstanding the full repayment of all outstandings under the Finance Documents and/or the cancellation or cessation of all Commitments.

38.7 Personal Data

- (a) If any Obligor provides the Finance Parties with personal data of any individual as required by, pursuant to, or in connection with the Finance Documents, the Borrower represents and warrants (and each Obligor is deemed to represent and warrant) to the Finance Parties that it has, to the extent required by law, (i) notified the relevant individual of the purposes for which data will be collected, processed, used or disclosed; and (ii) obtained such individual's consent for, and hereby consents on behalf of such individual to, the collection, processing, use and disclosure of his/her personal data by the Finance Parties, in each case, in accordance with or for the purposes of the Finance Documents, and confirms that it is authorised by such individual to provide such consent on his/her behalf.
- (b) The Borrower agrees and undertakes (and each Obligor is deemed to have agreed and undertaken) to notify the Agent promptly upon its becoming aware of the withdrawal by the relevant individual of its consent to the collection, processing, use and/or disclosure by any Finance Party of any personal data provided by that Obligor to any Finance Party.
- (c) The Borrower shall be responsible for ensuring that the consent of any individual whose personal data is provided to any Finance Party by the Borrower has been obtained in compliance with any applicable laws.
- (d) Any consent given pursuant to this agreement in relation to personal data shall, subject to all applicable laws and regulations, survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of this agreement.

39. CONFIDENTIALITY OF FUNDING RATES AND REFERENCE BANK QUOTATIONS

39.1 Confidentiality and disclosure

- (a) The Agent and the Borrower shall (and the Borrower shall procure that each Obligor shall) agree to keep each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) and (d) below.
- (b) The Agent may disclose:
 - (i) any Funding Rate (but not, for the avoidance of doubt, any Reference Bank Quotation) to the Borrower pursuant to Clause 8.4 (*Notification of rates of interest*); and
 - (ii) any Funding Rate or any Reference Bank Quotation to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender or Reference Bank, as the case may be.



- (c) The Agent may disclose any Funding Rate or any Reference Bank Quotation, and each Obligor may disclose any Funding Rate, to:
 - (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate or Reference Bank Quotation is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or Reference Bank Quotation or is otherwise bound by requirements of confidentiality in relation to it;
 - (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;
 - (iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and
 - (iv) any person with the consent of the relevant Lender or Reference Bank, as the case may be.
- (d) The Agent's obligations in this Clause 39 relating to Reference Bank Quotations are without prejudice to its obligations to make notifications under Clause 8.1 (*Calculation of interest*) to Clause 8.4 (*Notification of rates of interest*) **provided that** (other than pursuant to paragraph (b)(i) above) the Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

39.2 Related obligations

- (a) The Agent and the Borrower for itself and for each Obligor acknowledges that each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and the Borrower for itself and for each Obligor undertake not to use any Funding Rate or, in the case of the Agent, any Reference Bank Quotation for any unlawful purpose.



- (b) The Agent and the Borrower for itself and for each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender or Reference Bank, as the case may be:
 - (i) of the circumstances of any disclosure made pursuant to paragraph (c)(ii) of Clause 39.1 (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
 - (ii) upon becoming aware that any information has been disclosed in breach of this Clause 39.

39.3 No Event of Default

No Event of Default will occur under Clause 21.3 (*Other obligations*) by reason only of an Obligor’s failure to comply with this Clause 39.

40. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

41. GOVERNING LAW

This Agreement, and all non-contractual obligations arising from or in connection with this Agreement, are governed by English law.

42. ENFORCEMENT

42.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including any dispute relating to any non-contractual obligation arising from or in connection with this Agreement and any dispute regarding the existence, validity or termination of this Agreement) or any non-contractual obligation arising out of or in connection with this Agreement (a “**Dispute**”).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 42.1 is for the benefit of the Finance Parties only. As a result, to the extent allowed by law:
 - (i) no Finance Party will be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction; and
 - (ii) the Finance Parties may take concurrent proceedings in any number of jurisdictions.



42.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, the Borrower for itself and on behalf of each Obligor (other than an Obligor incorporated in England and Wales):

- (a) irrevocably appoints WNS Global Services (UK) Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document at the address indicated below:

WNS Global Services (UK) Limited

Address: The Lodge, Harmondsworth Lane,
 West Drayton, Middlesex,
 UB7 0AB, United Kingdom

E-mail Address: ritu.motashaw@wns.cm
 Fax: +44 7768045342
 Attention: Ritu Motashaw

- (b) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

The Borrower for itself and on behalf of each Obligor expressly agrees and consents to the provisions of this Clause 42.2.

42.3 Waiver of immunities

The Borrower for itself and on behalf of each Obligor irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction or order for specific performance or recovery of property;
- (d) attachment of its assets (whether before or after judgment); and
- (e) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings).

EACH PARTY WAIVES ANY RIGHTS IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED ON OR ARISING FROM THE FINANCE DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED BY THE FINANCE DOCUMENTS. IN THE EVENT OF LITIGATION, THE FINANCE DOCUMENTS MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.



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SCHEDULE 1

THE ORIGINAL LENDERS

Name of Original Lender	Commitment (US\$)
HSBC BANK (MAURITIUS) LIMITED	60,000,000
STANDARD CHARTERED BANK	24,000,000
Total	84,000,0000



SCHEDULE 2

CONDITIONS

Part 1

Conditions Precedent to Delivery of the Initial Utilisation Request

1. BORROWER

- 1.1 A copy of the following constitutional documents and statutory registers of the Borrower:
 - (i) its certificate of incorporation;
 - (ii) its valid global business licence and the receipt from the Financial Services Commission that payment of the licence fees are up to date;
 - (iii) its constitution;
 - (iv) its register of directors;
 - (v) its register of members; and
 - (vi) its register of charges, register of pledges and/or register of mortgages and charges (as applicable).
- 1.2 A copy of a resolution of the board of directors of the Borrower:
 - (a) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute the Transaction Documents to which it is a party;
 - (b) authorising a specified person or persons to execute, deliver and perform the Finance Documents to which it is a party on its behalf; and
 - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- 1.3 A specimen of the signature of each person authorised by the resolution referred to in paragraph 1.2 above.
- 1.4 A certificate of the Borrower (signed by a director or any other authorised signatory) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee or security or similar limit binding on it to be exceeded.
- 1.5 A certificate of an authorised signatory of the Borrower certifying that each copy document relating to it specified in this Part 1 of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
- 1.6 A solvency certificate in respect of the Borrower, in form and substance satisfactory to the Agent.
- 1.7 A certificate of current standing in respect of the Borrower.
- 1.8 A certificate of incumbency of the Borrower.



2. PARENT GUARANTOR

- 2.1 A copy of the constitutional documents of the Parent Guarantor, including any consents issued to it by the Jersey Financial Services Commission pursuant to the Control of Borrowing (Jersey) Order 1958..
- 2.2 A copy of a resolution of the board of directors of the Parent Guarantor:
 - (a) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute the Transaction Documents to which it is a party;
 - (b) authorising a specified person or persons to execute, deliver and perform the Finance Documents to which it is a party on its behalf; and
 - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- 2.3 A specimen of the signature of each person authorised by the resolution referred to in paragraph 2.2 above.
- 2.4 A certificate of the Parent Guarantor (signed by a director or authorised signatory) confirming that securing the Total Commitments would not cause any security or similar limit binding on it to be exceeded.
- 2.5 A certificate of the Parent Guarantor (signed by a director or authorised signatory) certifying that each copy document relating to it specified in this Part 1 of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
- 2.6 A good standing certificate (or their equivalent) in respect of the Parent Guarantor.
- 2.7 An opinion certificate in respect of the Parent Guarantor.

3. LEGAL OPINIONS

- 3.1 A legal opinion in relation to English law from Latham & Watkins addressed to the Finance Parties.
- 3.2 A legal opinion in relation to Jersey law from Mourant Ozannes addressed to the Finance Parties at the date of that opinion.
- 3.3 A legal opinion in relation to Mauritius law from Appleby addressed to the Finance Parties at the date of that opinion.

4. OTHER DOCUMENTS AND EVIDENCE

- 4.1 Evidence that any process agent referred to in Clause 42.2 (*Service of process*) has accepted its appointment.
- 4.2 The Group Structure Chart which shows the Group assuming the Closing Date has occurred.
- 4.3 The Reports.
- 4.4 The Original Financial Statements.



- 4.5 The audited annual financial statements of the Parent Guarantor for the period ending 31st March 2016.
- 4.6 Evidence satisfactory to the Agent that the fees, costs and expenses then due from the Borrower pursuant to Clause 11 (*Fees*) and Clause 16 (*Costs and Expenses*) have been paid in full or will be paid in full by the Utilisation Date.
- 4.7 The Funds Flow Statement in a form agreed by the Borrower and the Agent.
- 4.8 The Base Case Model in a form agreed by the Borrower and the Agent.
- 4.9 A certificate of the Borrower (signed by a director) detailing the estimated Acquisition Costs to be paid from the proceeds of Utilisation of the Loan.
- 4.10 A certificate of the Borrower (signed by a director) certifying that:
- (a) no material terms and conditions of the Acquisition Agreement have been, or will on or prior to the Closing Date be, amended or waived without the consent of the Lenders (other than those waivers already obtained and notified to the Agent in writing prior to the date of this Agreement);
 - (b) amounts to be drawn under the Facility, when aggregated with the available cash resources of the Purchasers, are sufficient to pay the purchase price under the Acquisition Agreement, the Acquisition Costs and any other amounts to be paid on the Closing Date under the Funds Flow Statement;
 - (c) each of the conditions to closing as set out in the Acquisition Agreement have been satisfied or waived; and
 - (d) 100% of the Target Interests shall be acquired by the Purchasers on the Closing Date.
- 4.11 All necessary “know your customer” or other similar checks in relation to the Borrower and the Parent Guarantor under all applicable laws and regulations and internal policies having been completed by each Lender.
- 4.12 All regulatory filings, permits, approvals and consents which are required for the purposes of the Acquisition.
- 4.13 All required Consents and/or waivers required in connection with the Facility, including but not limited to a waiver from BNP Paribas (acting in its capacity as the Agent under the Existing BNP Facility) expressly permitting the incurrence by the Parent Guarantor of the Financial Indebtedness under the Finance Documents.
- 4.14 A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified the Borrower accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

5. TRANSACTION DOCUMENTS

- 5.1 A copy of the execution version of the Acquisition Agreement.

6. FINANCE DOCUMENTS

- 6.1 This Agreement executed by the Borrower.
- 6.2 The Parent Guarantee.



6.3 The Fee Letter executed by the Borrower.

Part 2
Conditions Subsequent

1. Within 5 days of the date of this Agreement, an executed copy of the Acquisition Agreement (including all exhibits and schedules thereto).
2. Within 5 Business Days of the date of this Agreement, the revised waiver from BNP Paribas (acting in its capacity as the Agent under the Existing BNP Facility), expressly consenting to the incurrence by the Parent Guarantor of the Financial Indebtedness under the Finance Documents.
3. Within 90 days of the date of this Agreement:
 - (a) the Borrower Share Pledge Agreement along with all of the deliverables set out thereunder;
 - (b) A legal opinion in relation to Jersey law from Mourant Ozannes addressed to the Finance Parties at the date of that opinion; and
 - (c) A legal opinion in relation to Mauritius law from Appleby addressed to the Finance Parties at the date of that opinion.
4. Within 90 days of the date of this Agreement, the Fair Value Report.



SCHEDULE 3
Utilisation Request

From: WNS (Mauritius) Limited

To: HSBC BANK (MAURITIUS) LIMITED
6th Floor, HSBC Centre
18 CyberCity
Ebene, Mauritius

Attention: Karan Singh Byce, Hajrah Sakauloo, Maya Seewooruttun

Dated:

Dear Sirs,

WNS (Mauritius) Limited – US\$84,000,000 Facility Agreement
dated [] (the “Facility Agreement”)

1. We refer to the Facility Agreement. This is an Utilisation Request. Terms defined in the Facility Agreement shall have the same meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:

 Proposed Utilisation Date: [] (or, if that is not a Business Day, the next Business Day)

 Amount: [] or, if less, the Available Facility

 First Interest Period: []
3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.
4. The proceeds of this Loan should be credited to [*account*].
5. This Utilisation Request is irrevocable.

Yours faithfully

Director/Authorised Signatory of
WNS (Mauritius) Limited



SCHEDULE 4

FORM OF TRANSFER CERTIFICATE

To: HSBC BANK (MAURITIUS) LIMITED as Agent and Security Agent

From: [*the Existing Lender*] (the “**Existing Lender**”) and [*the New Lender*] (the “**New Lender**”)

Dated:

**WNS (Mauritius) Limited – US\$84,000,000 Facility Agreement
dated [] (the “Facility Agreement”)**

1. We refer to Clause 22.5 (*Procedure for transfer*) of the Facility Agreement. This is a Transfer Certificate. Terms used in the Facility Agreement shall have the same meaning in this Transfer Certificate.
2. The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation, and in accordance with Clause 22.5 (*Procedure for transfer*), all of the Existing Lender’s rights and obligations under the Facility Agreement and the other Finance Documents which relate to that portion of the Existing Lender’s Commitment and participations in the Loan under the Facility Agreement as specified in the Schedule.
3. The proposed Transfer Date is [].
4. The Facility Office and address, fax number and attention particulars for notices of the New Lender for the purposes of Clause 33.2 (*Addresses*) are set out in the Schedule.
5. The New Lender expressly acknowledges:
 - (a) the limitations on the Existing Lender’s obligations set out in paragraphs (a) and (c) of Clause 22.4 (*Limitation of responsibility of Existing Lenders*); and
 - (b) that it is the responsibility of the New Lender to ascertain whether any document is required or any formality or other condition is required to be satisfied to effect or perfect the transfer contemplated by this Transfer Certificate or otherwise to enable the New Lender to enjoy the full benefit of each Finance Document.
6. The New Lender confirms that it is a “New Lender” within the meaning of Clause 22.1 (*Assignments and transfers by the Lenders*).
7. The Existing Lender and the New Lender confirm that the New Lender is not an Obligor or an Affiliate of an Obligor.
8. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.
9. This Transfer Certificate and all non-contractual obligations arising from or in connection with this Transfer Certificate are governed by English law.
10. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

Note: The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender’s interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender’s Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.



THE SCHEDULE

Commitment/rights and obligations to be transferred, and other particulars

Commitment/participation(s) transferred:

Drawn Loan(s) participation(s) amount(s): []
Available Commitment amount: []

Administration particulars:

New Lender's receiving account: []
Address: []
Telephone: []
Facsimile: []
Attn/Ref: []

[the Existing Lender]

[the New Lender]

By: _____

By: _____

This Transfer Certificate is executed by the Agent and the Transfer Date is confirmed as [].

HSBC BANK (MAURITIUS) LIMITED as Agent

By: _____

Note: *It is the New Lender's responsibility to ascertain whether any other document is required, or any formality or other condition is required to be satisfied, to effect or perfect the transfer contemplated in this Transfer Certificate or to give the New Lender full enjoyment of all the Finance Documents.*



SCHEDULE 5

FORM OF COMPLIANCE CERTIFICATE

To: HSBC BANK (MAURITIUS) LIMITED as Agent and Security Agent

From: WNS (Mauritius) Limited

Dated:

Dear Sirs

**WNS (Mauritius) Limited – US\$84,000,000 Facility Agreement
dated [] (the “Facility Agreement”)**

1. We refer to the Facility Agreement. This is a Compliance Certificate. Terms used in the Facility Agreement shall have the same meaning in this Compliance Certificate.
2. We confirm that for the Relevant Period ending on []:
 - (a) EBITDA was [] and Total [Net] Debt was []; therefore, Leverage was [] to 1;
 - (b) EBITDA was [] and Debt Service was []; therefore, the Debt Service Cover was [] to 1;¹
3. We set out below calculations establishing the figures in paragraph 2 above:
[].
4. We confirm that no Default is continuing.*

Signed by: _____
Director/Authorised Signatory of
WNS (Mauritius) Limited

¹ Note: only include in respect of a Relevant Period coinciding with the end of each Financial Year.

* If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.



SCHEDULE 6

FORM OF RESIGNATION LETTER

To: HSBC BANK (MAURITIUS) LIMITED as Agent

From: [resigning Obligor] and WNS (MAURITIUS) LIMITED

Dated:

Dear Sirs

WNS (Mauritius) Limited – US\$34,000,000 Facility Agreement
dated [] (the “Facility Agreement”)

1. We refer to the Facility Agreement. This is a Resignation Letter. Terms defined in the Facility Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. Pursuant to Clause 23.2 (*Resignation of the Parent Guarantor*) of the Facility Agreement, we request that the Parent Guarantor be released from its obligations as a Guarantor under the Facility Agreement.
3. We confirm that:
 - (a) no Default is continuing or would result from the acceptance of this request; and
 - (b) []*.
4. This Resignation Letter, and all non-contractual obligations arising from or in connection with this Resignation Letter, are governed by English law.

WNS (MAURITIUS) LIMITED

[Resigning Obligor]

By: _____

By: _____

* Insert any other conditions required by the Facility Agreement.



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SCHEDULE 7

EXISTING SECURITY

<u>Name of Obligor</u>	<u>Security</u>	<u>Currency</u>	<u>Total Principal Amount of Indebtedness Secured</u>
WNS Global Services Private Limited	Fixed Deposit	INR	250,000
WNS Global Services Private Limited	Fixed Deposit	INR	100,000
Value Edge Research Services Private Limited	Fixed Deposit	INR	670,000
Value Edge Research Services Private Limited	Fixed Deposit	INR	25,000
WNS North America Inc.	Fixed Deposit	USD	21,222
WNS Global Services Philippines Inc.	Fixed Deposit	PHP	3,961,741
WNS Global Services (Romania) S.R.L.	Fixed Deposit	EUR	165,547
WNS Global Services (Australia) Pty Ltd.	Fixed Deposit	AUD	10,698
WNS Global Services (Australia) Pty Ltd.	Fixed Deposit	AUD	21,000
WNS Global Services (UK) Limited (Branch), Poland	Fixed Deposit	PLN	25,000
WNS North America Inc.	Assets and Shares	USD	34,000,000



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SCHEDULE 8

TIMETABLES

Function	Day/Time
Delivery of a duly completed Utilisation Request (Clause 5.1 <i>(Delivery of a Utilisation Request)</i>)	U – 2 11.00 a.m.
Agent notifies the Lenders of the Loan in accordance with Clause 5.4 <i>(Lenders' participations)</i>	U – 2 noon
LIBOR is fixed	Quotation Day as of 11.00 a.m. London time

“U” = date of utilisation

“U – X” = X Business Days prior to date of utilisation



SCHEDULE 9

AGREED INTERCREDITOR PRINCIPLES

1. GENERAL

- 1.1 The intercreditor agreement (the “ICA”) will contain market standard provisions and will be based on a precedent to be agreed between the parties or to be based on the current recommended form of intercreditor agreement for leveraged acquisition finance transactions of the LMA modified to reflect the provisions of this Schedule and customary terms.
- 1.2 The ICA will be executed on or prior to the incurrence of the Additional Pari Passu Indebtedness by the parties to the Agreement and by the creditors to the Additional Pari Passu Indebtedness. Future lenders/creditors of Additional Pari Passu Indebtedness must accede to the ICA on or prior to the incurrence of such debt. ²
- 1.3 The “Secured Debt” shall comprise:
- (a) The debt arising under the Agreement (“the Existing Debt”); and
 - (b) The debt arising under any Additional Pari Passu Indebtedness (the “Additional Debt”)
- 1.4 The “Secured Creditors” shall comprise:
- (a) The Finance Parties under the Agreement (the “Existing Creditors”); and
 - (b) The lenders/creditors of any Additional Pari Passu Indebtedness (the “Additional Creditors”).

2. RANKING OF LIABILITIES

The liabilities of any member of the Group shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

- (a) first, pro rata and pari passu and without any preference between them, the liabilities owed to Existing Creditors under the Existing Debt and the liabilities owed to Additional Creditors under the Additional Debt *pari passu* (the “Secured Creditor Liabilities”); and
- (b) second, the liabilities under the Intercompany Loans (“Intra-Group Liabilities”) and liabilities owed by the Borrower to the Parent Guarantor, *pari passu* between themselves and without any preference between them. For the avoidance of doubt, Intra-Group Liabilities will be subordinated in right of payment on LMA ICA customary terms.

² Note This assumes that any interest rate hedging will be done on an unsecured basis.



3. RANKING OF SECURITY

The Shared Security (as defined below) shall rank and secure (subject to an equalisation/loss-sharing mechanic) the Existing Debt and the Additional Debt *pari passu* and without any preference between them.

4. SECURITY

- (a) To the extent permitted by applicable law, the Secured Debt may be secured by the Borrower Share Pledge Agreement and/or any additional collateral pursuant to Clause 19.4 of the Agreement (the “**Shared Security**”) provided that such security ranks in the same order of priority as that contemplated in paragraph 2 (*Ranking of Liabilities*) above.
- (b) All security to be granted to the Secured Creditors from the Group in respect of the Shared Security will be granted in favour of the Security Agent.
- (c) The Security Agent will be appointed under the ICA to act on behalf of all Secured Creditors.
- (d) Subject to paragraph 11 below, and to the extent required or permitted by applicable law, the Security Agent is also authorised to sign any amendments to the security documents or enter into further security documents to give effect to the security sharing and ranking mechanics on or after the incurrence of Additional Debt.

5. PAYMENTS

- (a) The ICA will permit payments to be made by the Borrower under the Existing Debt and the Additional Debt.
- (b) The ICA will also permit payments from time to time when due to lenders owed pursuant to any Intra-Group Liabilities (“**Intra-Group Liabilities Payments**”) if at the time of such payment no Event of Default has occurred in respect of the Existing Debt and the Additional Debt (“**Acceleration Event**”).

6. INSTRUCTING GROUP

- (a) Upon an Event of Default under the Existing Debt or the Additional *Pari Passu* Indebtedness, a Secured Creditor may instruct or require the Security Agent to enforce any of the Shared Security.
- (b) Any instructions (including instructions not to take action) will be binding on all Secured Creditors.

7. APPLICATION OF PROCEEDS

Any monies received as a result of any enforcement action (including enforcement of the transaction security) or which have been turned over to the Security Agent as a result of the sharing provisions or the turnover provisions shall be applied (to the extent permitted by applicable law) in the following order:

- (a) in discharging any sums owing to the Security Agent, the Agent (in respect of the liabilities owed to the Agent and any creditor representative pursuant to any Additional Debt, any Receiver or any Delegate on a *pari passu* basis (the “**Creditor Representative Liabilities**”));



- (b) in payment of all costs and expenses incurred by any Agent or creditor representative (to the extent not already applied under 7(a) above) or Secured Creditor in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of the ICA or any action taken at the request of the Security Agent;
- (c) *pro rata* and *pari passu*, amounts owed to the Secured Creditors; and
- (d) the balance, if any, to the Borrower.

8. EQUALISATION

If for any reason any Secured Creditor Liabilities remain unpaid after an enforcement and the resulting losses are not borne by the Secured Creditors in the proportions which their respective exposures bore to the aggregate exposures of all the Secured Creditors, the Secured Creditors will make such payments amongst themselves as the Security Agent shall require to put the Secured Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

9. EFFECT OF INSOLVENCY EVENT

After the occurrence of an insolvency event in relation to any member of the Group, any party entitled to receive a distribution out of the assets of that member of the Group in respect of the liabilities owed to that party shall, to the extent it is able to do so, direct the person responsible for the distribution to pay the Security Agent for payment to the Secured Creditors, and any Secured Creditors shall pay over any amounts received in contravention of the same.

10. TURNOVER

Prior to the discharge date of all Secured Debt, any distributions, payments or proceeds received (by way of set-off or otherwise) by a subordinated creditor or any member of the Group which are not permitted under the ICA or are otherwise received in contravention of the ICA must be held in trust for the benefit of the Secured Creditors and turned over to the Security Agent for payment to the Secured Creditors.

11. AMENDMENTS

11.1 Relevant finance documents

- (a) The Finance Documents or the documents relating to the Additional Debt may not be amended or waived if such amendment or waiver would conflict with the ranking provisions of the ICA or create a default or event of default under such documents with respect to any action permitted under the ICA.
- (b) The Secured Creditors may otherwise amend or waive the terms of their own credit documents under the terms of those respective documents, provided such amendments do not result in the terms of such documents ceasing to comply with this Schedule.

11.2 ICA

- (a) Subject to paragraph (b) below, amendments to the ICA will be made on the basis of consent by all Secured Creditors save for minor or technical amendments, which the Security Agent may effect on behalf of the Secured Creditors.
- (b) To the extent an amendment to the ICA only affects the rights and obligations of particular parties to the ICA and could not reasonably be expected to be adverse to the interests of the other parties, only the affected parties need to agree to the waivers, consents or amendments.



12. RELEASES ON DISPOSALS

The ICA will contain usual provisions dealing with releases of security and guarantees in connection with permitted disposals (including upfront authority granted to the Security Agent by the Secured Creditors to effect the relevant releases).

13. GOVERNING LAW

The ICA will be governed by and construed in accordance with English law.



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WNS HOLDINGS LIMITED
FORM 20-F

Donnelley Financial

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Page 1 of 1

SIGNATORIES

The Borrower

WNS (MAURITIUS) LIMITED

By:

Name:

Title:

*Signature Page to Facility Agreement
(Project Lonestar)*



The Arranger

HSBC BANK (MAURITIUS) LIMITED

By:

Name:
Title:

By:

Name:
Title:

By:

Name:
Title:

By:

Name:
Title:

*Signature Page to Facility Agreement
(Project Lonestar)*



The Arranger

STANDARD CHARTERED BANK

By:

Name:
Title:

By:

Name:
Title:

*Signature Page to Facility Agreement
(Project Lonestar)*



The Agent

HSBC BANK (MAURITIUS) LIMITED

By:

Name:
Title:

By:

Name:
Title:

By:

Name:
Title:

By:

Name:
Title:

*Signature Page to Facility Agreement
(Project Lonestar)*



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The Security Agent

HSBC BANK (MAURITIUS) LIMITED

By:

Name:

Title:

By:

Name:

Title:

By:

Name:

Title:

By:

Name:

Title:

*Signature Page to Facility Agreement
(Project Lonestar)*



The Original Lender

HSBC BANK (MAURITIUS) LIMITED

By:

Name:
Title:

By:

Name:
Title:

By:

Name:
Title:

By:

Name:
Title:

*Signature Page to Facility Agreement
(Project Lonestar)*



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The Original Lender

STANDARD CHARTERED BANK

By:

Name:

Title:

By:

Name:

Title:

*Signature Page to Facility Agreement
(Project Lonestar)*



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**WNS (HOLDINGS) LIMITED
LIST OF SUBSIDIARIES**

<u>S/No.</u>	<u>Name of Subsidiary</u>	<u>Place of Incorporation</u>
1.	WNS Global Services Netherlands Cooperatief U.A.	The Netherlands
2.	WNS North America, Inc.	Delaware, USA
3.	WNS Global Services (UK) Limited	United Kingdom
4.	WNS (Mauritius) Limited	Mauritius
5.	WNS Global Services (Romania) S.R.L.	Romania
6.	WNS Global Services Philippines, Inc.	Philippines
7.	WNS Business Consulting Services Private Limited	India
8.	WNS Assistance Limited	United Kingdom
9.	Accidents Happen Assistance Limited	United Kingdom
10.	WNS Global Services Inc.	Delaware, USA
11.	Business Applications Associates Beijing Limited	China
12.	WNS Capital Investment Limited	Mauritius
13.	WNS Global Services (Private) Limited	Sri Lanka
14.	WNS Customer Solutions (Singapore) Private Limited	Singapore
15.	WNS Global Services Private Limited	India
16.	WNS BPO Services Costa Rica, S.R.L.	Costa Rica
17.	WNS Global Services (Australia) Pty Ltd	Australia
18.	WNS Mauritius Limited ME (Branch)	Dubai Airport Free Zone
19.	WNS Cares Foundation ⁽¹⁾	India
20.	WNS Global Services (UK) Limited (Spółka Z Ograniczoną Odpowiedzialnością) Oddział W Polsce, Gdansk (Branch)	Poland
21.	WNS Global Services SA (Pty) Limited	South Africa
22.	Business Applications Associates Beijing Limited Guangzhou Branch (Branch)	China
23.	WNS Global Services (Dalian) Co. Ltd.	China
24.	WNS Global Services Private Limited (Singapore Branch)	Singapore
25.	WNS Legal Assistance LLP	United Kingdom
26.	WNS Assistance (Legal) Limited	United Kingdom
27.	WNS Global Services (UK) Limited London Bucharest Branch	Romania
28.	WNS Global Services (UK) Limited (France Branch)	France
29.	Denali Sourcing Services Inc. ⁽²⁾	Delaware, USA
30.	WNS Global Services Netherlands Cooperatief U.A. Merkezi Hollanda Istanbul Merkez Subesi ⁽³⁾	Turkey
31.	MTS HealthHelp Inc. ⁽⁴⁾	Delaware, USA
32.	HealthHelp Holdings LLC ⁽⁴⁾	Delaware, USA
33.	HealthHelp LLC ⁽⁴⁾	Delaware, USA
34.	Value Edge Research Services Private Limited ⁽⁵⁾	India



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WNS HOLDINGS LIMITED

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35	Value Edge AG ⁽⁵⁾	Switzerland
36	Value Edge Inc. ⁽⁵⁾	Delaware, USA
37	VE Value Edge GmbH ⁽⁵⁾	Germany
38	WNS Global Services (Dalian) Co. Ltd. Shanghai Branch ⁽⁶⁾	China
39	Ucademy (Pty) Ltd. ⁽⁷⁾	South Africa
40	The WNS B-BBEE Staff Share Trust ⁽⁸⁾	South Africa
41	WNS Global Services Netherlands Cooperatief U.A. Ireland Branch ⁽⁹⁾	Ireland



Notes

- 1 WNS Cares Foundation is a not-for-profit organization registered under formerly Section 25 of the Indian Companies Act, 1956 (which has become Section 8 of the Indian Companies Act, 2013), formed for the purpose of promoting corporate social responsibilities.
- 2 We acquired Denali Sourcing Services Inc. in January 2017.
- 3 WNS Global Services Netherlands Cooperatief U.A. Merkezi Hollanda Istanbul Merkez Subesi (Turkey Branch) was formed on December 30, 2016 and is a branch of WNS Global Services Netherlands Cooperatief U.A.
- 4 We acquired MTS HealthHelp Inc. and its subsidiaries (HealthHelp Holdings LLC and HealthHelp LLC) in March 2017.
- 5 We acquired Value Edge Research Services Private Limited and its wholly owned subsidiaries, Value Edge Inc, Value Edge AG and, VE Value Edge GmbH in June 2016.
- 6 WNS Global Services (Dalian) Co. Ltd Shanghai Branch was formed in March 2017 and is a branch of WNS Global Services (Dalian) Co. Ltd.
- 7 Ucademy (Pty) Limited, a wholly owned subsidiary of WNS Global Services SA (Pty) Limited, was incorporated on June 20, 2016.
- 8 The WNS B-BBEE Staff Share Trust was registered on April 26, 2017 with the principal object of creating meaningful participation of the Company's Black employees in the growth of the company.
- 9 WNS Global Services Netherlands Cooperatief U.A (Ireland Branch) was formed on December 13, 2016 and is a branch of WNS Global Services Netherlands Cooperatief U.A.



Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Keshav R. Muruges, certify that:

1. I have reviewed this annual report on Form 20-F of WNS (Holdings) Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the company and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the Audit Committee of the company's Board of Directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 29, 2017

By: /s/ Keshav R. Muruges

Name: Keshav R. Muruges

Title: Group Chief Executive Officer



**Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Sanjay Puria, certify that:

1. I have reviewed this annual report on Form 20-F of WNS (Holdings) Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the company and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the Audit Committee of the company's Board of Directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 29, 2017

By: /s/ Sanjay Puria
Name: Sanjay Puria
Title: Group Chief Financial Officer



**Certification of Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of WNS (Holdings) Limited (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the accompanying annual report on Form 20-F of the Company for the year ended March 31, 2017 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 29, 2017

By: /s/ Keshav R. Murugesh
Name: Keshav R. Murugesh
Title: Group Chief Executive Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being "filed" either as part of the Report or as a separate disclosure statement, and is not to be incorporated by reference into the Report or any other filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The foregoing certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Section 18 or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.



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**Certification of Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of WNS (Holdings) Limited (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the accompanying annual report on Form 20-F of the Company for the year ended March 31, 2017 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 29, 2017

By: /s/ Sanjay Puria
Name: Sanjay Puria
Title: Group Chief Financial Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being "filed" either as part of the Report or as a separate disclosure statement, and is not to be incorporated by reference into the Report or any other filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The foregoing certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Section 18 or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.



CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated June 29, 2017 with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of WNS (Holdings) Limited on Form 20-F for the year ended March 31, 2017.

We hereby consent to the incorporation by reference of said reports in the Registration Statements of WNS (Holdings) Limited on Form S-8 (File No. 333-136168, File No. 333-157356, File No. 333-176849, File No. 333-191416 and File No. 333-214042).

/s/ GRANT THORNTON INDIA LLP

Mumbai, India
June 29, 2017