

POLARIS CONSULTING & SERVICES LIMITED

SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

A. INTRODUCTION

“Insider Trading” is an unethical practice resorted to by those privy to certain unpublished information relating to the Company to profit at the expense of the general investors who do not have access to such information. The objective of the current Regulations is to prevent “**insider trading**” by prohibiting dealing, communicating, counseling or procuring “unpublished price sensitive information”.

The Company had earlier framed “The Code for Prevention of Insider Trading” as required by Regulations (the “Code”) to be observed by the Directors and Designated Employees in the performance of their duties. That earlier code is now being amended to bring it in line as required under regulation 9 of the **SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015**. The Board of Directors have also adopted the **Code of Fair Disclosure** for the Company and would ensure that the Management adheres to this code to make the Unpublished Price Sensitive Information of the Company would be made available to the general public as soon as it is possible for the Company to do so. The Company recognizes that strict observance of the Code is a basic pre-requisite for ensuring full confidentiality of all “unpublished price sensitive information” and to build general investor confidence and stakeholder credibility.

The Code is to be observed by the following connected persons:

- i. Directors of the Company
- ii. Key Managerial Personnel
- iii. All employees in the grades T 400 and above i.e. Vice Presidents, and Senior Vice Presidents ; and
- iv. The dependants (as defined by the Company) to any of the persons falling under (i), (ii), (iii) above.

Directors and the Employees referred to above shall be provided with a copy of the Code, which is to be strictly observed at all times throughout the period of their directorship of, or employment by, the Company and for six months of the termination thereof.

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B. CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. Corporate Disclosure Policy

To ensure timely and adequate disclosure of 'Unpublished Price Sensitive Information' (UPSI), the following norms / principles shall be followed by the Company.

2. Prompt public disclosure of UPSI

The Company shall make a prompt public disclosure of UPSI that would impact the price discovery, as soon as credible and concrete information comes into being, in order to make such information generally available.

3. The Board of Directors shall ensure that the price sensitive information that would impact price discovery no sooner than the information comes into being in order to make such information generally available to the public and authorize the Compliance Officer in this regard to take necessary action to make the information available to the general public.

4. The Board of Directors through the Chief Investor Relations Officer shall ensure that prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

5. The Chief Investor Relations Officer shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and coordinating disclosure of UPSI to Stock Exchanges, analysts, shareholders and media, and educating staff on disclosure policies and procedures.

6. The Board of Directors shall ensure that uniform and universal dissemination of UPSI to avoid selective disclosure.

7. The Company secretary shall be the Compliance Officer of the Company.

The Chief Financial Officer is designated as the "Chief Investor Relations Officer" to deal with the dissemination of information and disclosure of UPSI.

8. Information disclosure/ dissemination may normally be approved in advance by the Chairman and Managing Director or Chief Executive Officer of the Company.

9. If information is accidentally disclosed without prior approval as aforesaid, the Chief Investor Relations Officer may inform the Chairman immediately, even if the information is not considered price sensitive.
10. The Company shall supplement the information released to Stock Exchanges either by public announcements and / or by simultaneously publishing information in the Company's website.
11. By a due process of authorization from the Board of Directors or the Chairman of the Board of Directors or the Managing Director of the Company, the Chief Investor Relations Officer shall give appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
12. The Board of Directors and the Key Managerial Personnel consisting of the Managing Director, Chief Financial Officer and the Company Secretary, shall ensure that information shared with analysts and research personnel is not UPSI.
13. The Board of Directors and the Management shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made. The Company shall provide only generally available information, namely information that is accessible to the public on a nondiscriminatory basis, to analysts/research persons/large investors like institutions.
14. In order to avoid misquoting or misrepresentation, it is desirable that at least two representatives of the Company be present at meetings with analysts, brokers or Institutional Investors and discussion should preferably be recorded. It is also desirable that, if the meeting is a large gathering, the meeting may be video-graphed.
15. The Board of Directors and the Management shall ensure that all the UPSI shall be handled on a need-to-know basis.
16. Disclosure/dissemination of information may be done through various media such as publication of results or the Company's website and/ or press release so as to achieve maximum reach and quick dissemination. The Company shall ensure that disclosure of information to Stock Exchanges is made promptly.
17. The mail id of the Chief Investor Relations Officer is investor.relations@polarisft.com

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C. CODE OF CONDUCT TO REGULATE, MONITOR AND REPORTING TRADING BY INSIDERS (effective 25.5.2015)

A. IN SHARES OF THE COMPANY

1. The Code of Conduct shall come into force with effect from 120 days from the date of publication in the official gazette i.e. from 15 May, 2015. (Publication was made on 15.1.2015)
2. 2.1 The Code of Conduct shall be applicable to all the “**Designated / Connected Persons**” who are:

Designated Persons

- i. Directors of the Company
- ii. Key Managerial Personnel
- iii. All employees in the grades T 400 and above i.e. Vice Presidents, and Senior Vice Presidents ; and
- iv. The dependents (as defined by the Company) to any of the persons falling under (i), (ii), (iii) above.

Dependants for the purpose of Insider Trading Regulations means a Spouse of a person and includes parents, sibling and child of such person or of the spouse any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

3. Connected persons

- 3.1 Any person who is or has during the six months prior to the concerned act has been associated with a Company, directly or indirectly in any capacity including by way frequent communication with its Officers, or by being in any contractual, fiduciary or employment relationship or by being a Director, Officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent that allows such person, to access the UPSI. Connected persons would include :
 - a. A dependant of connected person
 - b. A holding Company or associate company or subsidiary company; or

- c. An intermediary or an employee or Director thereof;
- d. An investment Company, trustee Company, asset management Company or an employee or Directors thereof;
- e. An official of a stock exchange or of clearing house or corporation; or
- f. A member of Board of trustees of a mutual fund or a member of the board of Directors of asset management Company of a mutual fund or is an employee thereof;
- g. A member of the Board of Directors or an employee, of a public financial institution as defined under the Companies Act, 2013.
- h. An official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- i. A banker of the Company; or
- j. A concern, firm, trust, Hindu undivided family, Company or association of persons wherein a Director of a Company or his dependant or banker of the Company, has more than ten per cent of the holding or interest.

4. Compliance Officer

- 4.1 The Company Secretary shall be the Compliance Officer of the Company as required under Regulation (2) (c) of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Compliance Officer shall be responsible for compliance of policies, procedures, maintenance of records, monitoring of trades and the implementation of codes specified in these regulations under the overall supervision of the Board of Directors of the listed Company.
- 4.2 The Compliance Officer shall be responsible for implementation of the Code of Conduct under the overall supervision of the Chairman and the Board of Directors. In particular, the Chief Financial Officer or the Compliance Officer shall be responsible for monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of Designated Persons' trades (directly or through respective department heads as decided by the Company), and monitoring trades in the Company's securities.
- 4.3 The Compliance Officer shall maintain a record of the Directors, Key Managerial Personnel, Designated Persons, their dependents and any changes made in the list of Directors, Designated Persons and their dependents.

- 4.4 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct.

5. Trading Plans

1. An insider shall be entitled to formulate a trading plan and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.
2. An insider shall not execute his trading plan as and when the closure of Trading Window period is announced by the Compliance Officer.
3. Such trading plan shall not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan.
4. The trading plan shall not be executed 20 days prior to the last day on which the price sensitive information is made public and 48 hours after the disclosure of such price sensitive information to the general public.
5. The trading plan should be made for a period not less than 12 months.
6. Cannot have more than one trading plan simultaneously.
7. The trading plan to give either the value of trades to be effected or the number of securities to be traded along with the nature of the trade, intervals or date on which such trades shall be effected.
8. The compliance officer shall review such trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of such plan.
9. The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from the plan or execute any trade in the securities outside the scope of the trading plan.

10. The compliance officer shall notify the trading plan once approved to the stock exchanges on which the securities are listed.

6. Disclosures

6.1 Initial disclosure

Every Promoter, Key Managerial Personnel and Director of the Company whose securities are listed on any recognized stock exchange shall disclose **(Form A)** his holding of securities of the Company as on the date of these regulations taking effect to the Company **within thirty days** of these regulations taking effect.

6.2 Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a promoter shall disclose in Form B his / her holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company **within seven days** of such appointment or becoming a promoter.

Continual Annual Disclosure

6.3 Every promoter, designated employee and Director of every Company shall disclose in **Form C** to the Company the number of such securities acquired or disposed of within two trading days of such transactions if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a **traded value in excess of Rs.10 lakhs**.

6.4 Every Company shall notify the particulars of such trading to the stock exchanges on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

6.5 Disclosure by other connected persons

The connected person or class of connected persons shall make disclosures of holdings and trading in securities of the Company on an annual basis to the Compliance Officer. Such declarations shall be valid for a period of one financial year and shall have to be renewed at the next financial year.

Connected Person for this purpose shall mean the Designated employees of the Company. This however, shall not restrict the right of the Company to seek information on other connected persons who would be in possession of the UPSI.

Disclosure by the Company

- 6.6 The Compliance Officer shall maintain records of all the declarations made by Designated Persons for a minimum period of five years.
- 6.7 The Compliance Officer shall place before the Chairman or a Committee specified by the Board of Directors of the Company, on a quarterly basis details of all dealing in the Company's shares by Promoters, Directors, Key Managerial Personnel or Designated Persons or dependents, if any.
- 6.8 Mentioning the PAN Number has been made mandatory in initial as well as continual disclosure forms for persons holding 5% or more shares.

7. Preservation of "Price Sensitive Information"

- 7.1 All the Connected Persons shall maintain confidentially of all "Unpublished Price Sensitive Information". Connected Persons shall not pass on such information to any other person directly or indirectly by way of making a recommendation for the purchase or sale of securities, or otherwise.
- 7.2 '**Unpublished Price Sensitive Information**' means any unpublished information (including information that is generally not known) which relates directly or indirectly to the Company and which, if published, is likely to materially affect the price of securities of the Company.

Explanation:

The following shall be deemed to be price sensitive information:-

- Periodical financial results of the Company;
 - Intended declaration of dividends (both interim and final);
 - Issue of securities or buy back of securities;
 - Any mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
 - Changes in key managerial personnel;
 - Any material event in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - Any other information, which is likely (if published) to materially affect the price of the securities of the Company. Any information which is not generally available would be UPSI that is likely to materially affect the price upon coming into the public domain.
- 7.3 Unpublished Price Sensitive Information is to be handled on a "**need to know**" basis. No insider shall communicate or provide or allow access to any UPSI, relating to a Company or securities listed to any person including other insiders except where such communication is in

furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Any non-public price sensitive information directly received by any Designated Employee should immediately be reported to the Compliance Officer

- 7.4 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password. Files containing confidential information should be deleted / destroyed after use.

8 Prevention of misuse of “**Price Sensitive Information**”

- 8.1 All Connected Persons shall be subject to trading restrictions as described below.

8.2 **Trading Window**

- 8.3.1 The Company has specified a trading period, called the “**Trading Window**”, which shall be used as an instrument to monitor trading by Designated / Connected Persons.

- 8.3.2 Subject to the other restrictions contained in the Code of Conduct and restrictions under applicable law, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, Designated / Connected Persons are permitted to trade in the shares of the Company only when the Trading Window is open.

- 8.3.3 The Trading Window shall be closed for the period during which the information referred to in para 7.2 is unpublished and for any period which the ultimate parent company of the Company, Virtusa Corporation (“Parent Company”), also is under a closed window for trading the Parent Company shares under the Parent Company’s amended and restated insider trading policies, attached hereto as Exhibit A (“Parent Company Insider Trading Policies”). When the Trading Window is closed per the foregoing, Designated / Connected Persons and their dependents (as defined by the Company) **are prohibited from trading** in the both the Company’s shares and Parent Company shares in any manner, including without limitation all prohibitions set forth in the Parent Company Insider Trading Policies. For the avoidance of doubt, the Trading Window of the Company shall be deemed closed at any time when the Parent Company is in a closed window, whether before or after release of any information by the Company.

- 8.3.4 The Trading Window shall be closed for the following periods-

Sl. No.	Nature of Information	Commencement of closure of Trading Window
a.	Declaration of Financial results (quarterly and annual)	From the date which is 10 days prior to date on which the price sensitive information is to be made public, duly taken on record at a meeting of the Board of Directors, as well as any period in which the Parent Company is in a closed window under the Parent Company Insider Trading Policies. For the avoidance of doubt, such Parent Company closed window may be before or after any Trading Windows specific to the Company and its public release of financial or other material information.
b.	Declaration of financial results (quarterly and annual) of the Parent Company	From the date which is 10 days prior to date on which the financial results are to be made public, duly taken on record at a meeting of the Board of Directors as well as any period in which the Parent Company is in a closed window under the Parent Company Insider Trading Policies. For the avoidance of doubt, such Parent Company closed window may be before or after any Trading Windows specific to the Company and its public release of financial or

		other material information.
c.	Declaration of dividends (interim and final)	From the date which is 10 days prior to the stipulated date on which notice is given to the stock exchanges for convenient applicable Board Meeting, as well as any period in which the Parent Company is in a closed window under the Parent Company Insider Trading Policies. For the avoidance of doubt, such Parent Company closed window may be before or after any Trading Windows specific to the Company and its public release of financial or other material information.
d.	Issue of securities by way public / rights / bonus etc.	
e.	Any major expansion plans or execution of new projects	
f.	Amalgamation, mergers, Takeovers and buy-back of shares	
g.	Disposal of whole or substantially the whole of the undertaking	
h.	Any significant changes in policies, plans or operations, of the Company or other information in consultation with the Chairman of the Company	For such period as the Compliance Officer shall determine

8.3.5 The Trading Window may be closed on a date earlier than as indicated in para 8.2.4 if the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of Unpublished Price Sensitive Information, or any closed window under the Public Company Insider Trading Policies.

8.3.6 The Trading Window shall re-open 48 hours after the information referred to in para 8.2.4 has been made public, except in regard to the information referred to in item number (b) of para 8.2.4. In the case of the information referred to in item number (b) of para 8.2.4, the Trading Window shall re-open 3 business days after the information has been made public as well as any any period in which the Parent Company is in a closed window under the Parent Company Insider Trading Policies. For the avoidance of doubt, such Parent Company closed window may be before or after any Trading Windows specific to the Company and its public release of financial or other material information..

- 8.3.7 All Designated / Connected Persons and their dependants (as defined by the company) shall not conduct any of their dealings in the shares of the Company during the closure of the Trading Window period and shall not deal in any transaction involving the purchase or sale of the Company's shares when the Trading Window is closed or during any other period as may be specified by the Company from time to time or conduct any activities prohibited by the Parent Company's amended and restated insider trading policies.
- 8.3.8 The Compliance Officer shall inform the Directors of the Company and the Designated / Connected Persons, by way of an email, about the closure of the Trading Window at the time of the closure or any closed window under the Parent Company amended and restated insider trading policies. .
- 8.3.9 8.2.9 To the extent of any conflict between the Company's policies regarding insider trading and the Parent Company Insider Trading Policies, the Parent Company Insider Trading Policies shall control and govern.
- 8.3.10 The Compliance Officer shall inform the stock exchange about the details of closure of Trading Window notice as and when the need arises.

9. Pre-clearance of trades

- 9.1 All Designated Persons and their dependants who intend to deal in the securities of the Company in excess of **5000 shares over a period of 5 working days or the trade value being in excess of Rs.5,00,000/-**, (whichever is higher) should pre-clear the transactions as per the pre-dealing procedure described hereunder. The transaction shall be executed within one week (5 working days) after the approval of pre-clearance is given and if not executed within that period the approval would stand rescinded.
- 9.2 An application may be made in the prescribed form to the Compliance Officer indicating the approximate number of shares that the Designated Person intends to deal in, the details of the depository with whom a security account is held (in respect of shares held in electronic mode) and such other details as may be prescribed in this connection by the Compliance Officer.
- 9.3. An undertaking shall be executed in favour of the Company by such Designated Person incorporating, inter alia, the following clauses, as may be applicable:

- a. That the person(s) or their dependents concerned does not have any access to, and/or has not received, "Price Sensitive Information" upto to the time of signing the undertaking.
 - b. That in case the person or their dependant (as defined by the Company) has access to or receives "Price Sensitive Information" after the signing of the undertaking, but before the execution of the transaction, he/she shall inform the Compliance Officer of the change in position and that he/she would completely refrain from dealing the securities of the Company until the time such information becomes public.
 - c. That he/she has not contravened the Code of Conduct for prevention of insider trading as notified by the Company from time to time.
 - d. That he/she has made full and true disclosure in the matter.
- 9.4. Pre-clearance approval from the Chief Financial Officer will be required before any Designated Person or their dependant (as defined by the company) may trade in the shares of the Company.
- 9.5 All directors and designated persons who buy or sell any number of shares of the company shall not enter into an opposite / contra transaction i.e. sell or buy any number of shares during the **next six months** following the prior transaction. All directors and designated persons shall also not take positions in derivatives transactions in the shares of the company at any time.

In the case of subscription in the primary market (IPO),the above mentioned entities shall hold their investments for a minimum period of 30 days.

10. Other restrictions :

- 10.1 All Designated Persons or their dependents shall execute the trade in the shares of the Company within one week of the pre-clearance being given. The details of execution of the order shall be intimated forthwith to the Compliance Officer in the prescribed form when the limit exceeds Rs.10,00,000 in value in a quarter. If the order is not executed within one week after the approval is given, a fresh pre-clearance must be obtained and the Compliance Officer informed as stated above.
- 10.2 All Designated Persons or dependant who buy or sell any number of shares of the company shall not enter into an opposite

transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All directors / officers / designated persons shall also not take positions in derivative transactions in the shares of the company at any time.

10.3 In the case of subscription in the primary market (initial public offers) the above mentioned entities shall hold their investments for a minimum period of 180 days.

10.4 In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his/her reasons in this regard. A request for such a waiver is to be made to the Chief Financial Officer of the Company.

11. Penalty for contravention of Code of Conduct:

11.1 Any Designated Person or dependents (as defined by the company) other employee of the Company who trades in securities, or communicates any information for trading in securities, in contravention of the Code of Conduct may be penalized and subject to appropriate action by the Company and the SEBI Authorities.

11.2 Employees or Directors of the Company or dependents who violate the Code of Conduct shall be subject to disciplinary action by the Company through its Stakeholder's Relationship Committee, which may include but not limited to

- **wage freeze,**
- **suspension from employment,**
- **ineligibility for future participation in employee stock option plans; and**
- **summary dismissal without benefits.**

11.3 Any action taken or not taken by the Company shall not preclude SEBI from taking action in the event of a violation of the SEBI (Prohibition of Insider Trading), Regulations, 2015 including :

- a. directing the Designated Person or other employee *or dependents* not to deal in securities in any particular manner;
- b. prohibiting such person from disposing of any of the securities acquired;
- c. restraining the insider to communicate or counsel any person to deal in securities;
- d. declaring the transaction(s) in securities as null and void;
- e. directing the person who acquired the securities to deliver the securities back to the seller;
or
to transfer an amount or proceeds equivalent to the cost price or market price of securities, whichever is the higher, to the Investor Protection Fund of a Recognised Stock Exchange;
- f. imposing a penalty not exceeding Rs. 5 lacs; and/or prescribing imprisonment for a maximum period of one year.

Any violation, or suspected violation, of the SEBI (Prohibition of Insider Trading) Regulations, 2015 observed by the Company / Compliance Officer shall be intimated to SEBI by the Company.

EXHIBIT A

**AMENDED AND RESTATED
VIRTUSA CORPORATION
INSIDER TRADING PROCEDURES**

February 14, 2011

SECTION I. PURPOSE

It is generally illegal for any director, officer or employee of Virtusa Corporation or its subsidiaries (the “Company”), or any consultant to the Company, to trade in the securities of the Company while in the possession of material, nonpublic information about the Company. It is also generally illegal for any director, officer, employee or consultant to disclose material, nonpublic information about the Company to others who may trade on the basis of that information. To comply with federal and state securities laws governing insider trading, the Company has adopted an insider trading policy which consists of: (i) a Statement of Company Policy on Insider Trading and Disclosure (the “Insider Trading Statement”) distributed to all directors, officers and employees of the Company and consultants to the Company, and (ii) these Amended and Restated Insider Trading Procedures (the “Insider Trading Procedures”) governing securities trading by directors, officers and employees designated by the Compliance Officer (as defined in Section V) who in the ordinary course of the performance of their duties have access to material, nonpublic information regarding the Company (“Insiders”).

SECTION II. SCOPE

These Insider Trading Procedures regulate securities trades by: (i) Insiders; (ii) an Insider’s spouse, child, parent, sibling or other family member living in the same household; (iii) all persons who execute trades on behalf of Insiders; and (iv) investment funds, trusts, retirement plans, partnerships, corporations and other types of entities over which Insiders have the ability to influence or direct investment decisions concerning securities (the persons and entities covered by clauses (ii) through (iv) above are hereinafter referred to as “Affiliated Persons”). Insiders are responsible for ensuring compliance with these Insider Trading Procedures and the Insider Trading Statement by all of their Affiliated Persons. Unless the context otherwise requires, references to “Insiders” in these Insider Trading Procedures refer collectively to Insiders and their Affiliated Persons.

These Insider Trading Procedures apply to any and all transactions in the Company’s securities, including its common stock, options to purchase common stock (as described in more detail in Section VI.F.), and any other type of securities that the Company may issue, such as preferred stock, convertible debentures, warrants and exchange-traded options or other derivative securities.

In addition to the Insider Trading Statement, these Insider Trading Procedures will be delivered to all Insiders upon their adoption by the Board of Directors and to all new Insiders at the start of their employment or relationship with the Company. Upon first receiving a copy of

these Insider Trading Procedures, each Insider must sign an acknowledgment that he or she has received a copy and agrees to comply with the terms of these Insider Trading Procedures and the Insider Trading Statement. Such Insider shall return the acknowledgment attached hereto within ten (10) days of receipt to:

**Senior Vice President and General Counsel
Virtusa Corporation
2000 West Park Drive
Westborough MA 01581**

This acknowledgment will constitute consent for the Company to impose sanctions for violation of its insider trading policy and to issue any necessary stop-transfer orders to the Company's transfer agent to ensure compliance with these Insider Trading Procedures and the Insider Trading Statement. As discussed in Section VII.B., sanctions for individuals employed by the Company also may include demotion or other disciplinary actions, including termination of employment if the Company believes these Insider Trading Procedures or the Insider Trading Statement has been violated. Insiders will be required upon the Company's request to re-acknowledge and agree to comply with these Insider Trading Procedures and the Insider Trading Statement.

SECTION III. INSIDERS AND INSIDER TRADING

Persons who in the ordinary course of performing their duties have access to material, nonpublic information regarding the Company, including, without limitation, directors, officers and certain employees of the Company or any of its subsidiaries, are deemed to be Insiders. All Insiders must obtain prior approval of all of their trades in Company securities from the Compliance Officer in accordance with the procedures set forth in Section VI.D. below.

Please see the Insider Trading Statement for a discussion of what constitutes "insider trading" as well as "material" and "nonpublic" information. Any Insiders who are unsure whether the information that they possess is material or nonpublic should consult the Compliance Officer for guidance. **Remember: Insiders must obtain prior approval of all trades in Company securities from the Compliance Officer in accordance with the procedures set forth in Section VI.D. even if they are not aware of any material, nonpublic information.**

SECTION IV. COMPLIANCE WITH THE INSIDER TRADING STATEMENT

No Insider may trade in any type of securities of the Company if such Insider is in possession of material, nonpublic information about the Company unless the trade has been effected in compliance with a pre-approved Rule 10b5-1 Plan. This prohibition applies even if such Insider receives pre-clearance and the transaction would occur during a trading window.

SECTION V. INSIDER TRADING COMPLIANCE OFFICER

The Company has designated its Vice President and General Counsel, currently Paul D. Tutun, as its insider trading compliance officer (the "Compliance Officer"). The Compliance

Officer will review and either approve or prohibit all proposed trades by Insiders in accordance with the procedures set forth in Section VI.D. The Compliance Officer may consult with the Company's other officers and/or outside legal counsel and will receive approval for his own trades from the Chief Financial Officer or Chief Executive Officer.

SECTION VI. SPECIAL TRADING RESTRICTIONS AND PROCEDURES

A. PROHIBITED ACTIVITIES

Please see the Insider Trading Statement for a description of prohibited activities applicable to all directors, officers and employees of the Company, including Insiders. For a discussion of special trading restrictions applicable only to Insiders, please see Section VI.B. immediately below.

B. SPECIAL TRADING RESTRICTIONS APPLICABLE TO INSIDERS

1. ***No Trading Except During Windows.*** No Insider may trade in Company securities outside of the applicable "trading windows" as described in Section VI.C., except as specifically permitted hereafter.
2. ***All Trades Must be Pre-cleared by the Compliance Officer.*** No Insider may trade in Company securities unless the trade has been approved by the Compliance Officer in accordance with the procedures set forth in Section VI.D.
3. ***No Short Sales or Purchases or Sales of Derivative Securities.*** No Insider may at any time sell any securities of the Company that are not owned by such Insider at the time of the sale (a "short sale"). Also, no Insider may buy or sell puts, calls or other derivative securities of the Company at any time.
4. ***No Purchases on Margin.*** No Insider may hold Company securities in a margin account.
5. ***No Pledges.*** No Insider may pledge Company securities as collateral for a loan unless the pledge has been approved by the Compensation Committee of the Board of Directors. Any request for approval of such a pledge by an Insider must be submitted to the Compensation Committee in writing at least two (2) weeks prior to the proposed execution of documents evidencing the proposed pledge. Any such pledge request submitted by an Insider will be considered by the Compensation Committee on a case-by-case basis.
6. ***Gifts Subject to Same Restrictions as All Other Securities Trades.*** No Insider may gift Company securities during a period when the Insider is not permitted to trade.
7. ***Investment Funds.*** Nothing contained in this Section VI.B. shall be deemed to apply to activities by an investment fund over which an Insider shares control over investment decisions if such Insider is not in possession of material nonpublic information at the time of activity.

C. *TRADING WINDOWS*

There are times when the Company or certain members of its board of directors or senior management may be aware of a material, nonpublic development. Although an Insider may not know the specifics of such development, if an Insider engages in a trade before such development is disclosed to the public or resolved, such Insider and the Company might be exposed to a charge of insider trading that could be costly and difficult to refute. In addition, a trade by an Insider during such a period could result in adverse publicity for the Company. Therefore, subject to limited exceptions set forth herein, Insiders may trade in Company securities only during four (4) quarterly trading windows and then only after obtaining pre-clearance from the Compliance Officer in accordance with the procedures set forth in Section VI.D. As a further limitation, Insiders may not trade in Company securities if they are notified by the Compliance Officer that the trading window is closed because of the existence of a material, nonpublic development. The Compliance Officer will subsequently notify the Insiders once the material, nonpublic development is disclosed to the public or resolved and that, as a result, the trading window is again open. While the Compliance Officer will undertake reasonable efforts to notify the Insiders that material, nonpublic events have developed, or are soon likely to develop, it is each Insider's individual duty to ensure that they do not make any trade in Company securities when material, nonpublic information exists, regardless of whether such Insider is aware of such development. **Unless otherwise advised, the four trading windows consist of the periods that begin on the third business day after the Company's issuance of a press release (or other method of broad public dissemination) announcing its quarterly or annual earnings and end at the close of business on the fifteenth (15th) day of the last month before the end of the then-current quarter.** Insiders may be allowed to trade outside of a trading window in the following special circumstances:

1. In accordance with the procedure for waivers described in Section IX; or
2. Pursuant to a pre-approved Rule 10b5-1 Plan as described in Section VI.E.

D. *PRE-CLEARANCE PROCEDURES FOR APPROVING TRADES BY INSIDERS*

1. **Insiders.** No Insider may trade in Company securities until:
 - a. the Insider has notified the Compliance Officer of the amount and nature of the proposed trade(s) using the Stock Transaction Request form attached to these Insider Trading Procedures. To provide adequate time for the preparation of any required reports under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), a Stock Transaction Request form should, if practicable, be received by the Compliance Officer at least two (2) business days prior to the intended trade date;
 - b. the Insider has certified to the Compliance Officer in writing prior to the proposed trade(s) that:

- (i) the Insider is not in possession of material, nonpublic information concerning the Company; and
 - (ii) to the Insider's best knowledge, the proposed trade(s) does not violate the trading restrictions of Section 16 of the Exchange Act or Rule 144 of the Securities Act of 1933, as amended; and
- c. the Compliance Officer or his or her designee has approved the trade(s) and has certified such approval in writing. Such certification may be made via digitally-signed electronic mail.

2. ***Additional Information.*** Insiders shall provide to the Compliance Officer any documentation reasonably requested by him or her in furtherance of the foregoing procedures. Any failure to provide such requested information will be grounds for denial of approval by the Compliance Officer.

3. ***No Obligation to Approve Trades.*** The existence of the foregoing approval procedures does not in any way obligate the Compliance Officer to approve any trade requested by Insiders. The Compliance Officer may reject any trading request at his or her sole reasonable discretion.

4. ***Completion of Trades.*** After receiving written clearance to engage in a trade signed by the Compliance Officer, an Insider must complete the proposed trade within five (5) business days or make a new trading request.

**E. *EXEMPTION FROM CERTAIN TRADING RESTRICTIONS:
PRE-APPROVED 10b5-1 PLAN***

Transactions effected pursuant to a pre-approved Rule 10b5-1 Plan will not be subject to the Company's trading windows or pre-clearance procedures as described above, and Insiders are not required to complete a Stock Transaction Request form for such transactions; provided that, subject to the other terms of this Insider Trading Policy,

- (i) no transactions may be effected under the Rule 10b5-1 Plan until after at least 60 days of the effective date of the Rule 10b5-1 Plan (i.e., after full execution of the plan and approval of the plan by the Compliance Officer); and
- (ii) no modifications or amendments will be deemed effective to the Rule 10b5-1 Plan until the expiration of 60 days after the date any such modification or amendment is made to such Rule 10b5-1 Plan.

Rule 10b5-1 of the Exchange Act provides an opportunity for Insiders to establish arrangements to trade in Company securities outside trading windows, even when in possession of undisclosed material information, provided that the transaction occurs pursuant to a Rule 10b5-1 Plan that came into existence before such Insider became aware of such material, nonpublic information.

If an Insider intends to trade pursuant to a Rule 10b5-1 Plan, such plan, arrangement or trading instructions must:

1. satisfy the requirements of Rule 10b5-1;
2. be documented in writing;
3. be established during a trading window in which such Insider does not possess material, nonpublic information; and
4. be pre-approved by the Compliance Officer.

Any deviation from, or alteration to, the specifications of an approved Rule 10b5-1 Plan (including, without limitation, the amount, price or timing of a purchase or sale) must be reported immediately to the Compliance Officer.

The Compliance Officer may refuse to approve a plan, arrangement or trading instruction as he or she deems appropriate including, without limitation, if he or she determines that such plan, arrangement or trading instruction does not satisfy the requirements of Rule 10b5-1. The Compliance Officer may consult with the Company's outside legal counsel before approving a plan, arrangement or trading instruction. If the Compliance Officer does not approve an Insider's plan, arrangement or trading instruction, such Insider must adhere to the pre-clearance procedures and trading windows set forth above until such time as a plan, arrangement or trading instruction is approved.

Any modification of an Insider's prior contract, instruction or plan requires pre-approval by the Compliance Officer. Such modification must occur during a trading window and while such Insider is not aware of material, nonpublic information.

F. EXERCISE OF STOCK OPTIONS

The trading prohibitions and restrictions set forth in these Insider Trading Procedures do not apply to the exercise of an option to purchase securities of the Company. However, such a transaction is subject to the Section 16 current reporting requirements. Therefore, Insiders must comply with the post-trade reporting requirement described in Section VI.H. below for any such transaction. In addition, the securities acquired upon the exercise of an option to purchase Company securities are subject to the above procedures and all other requirements of these Insider Trading Procedures. In particular, such securities may not be sold by Insiders except during a trading window, after authorization from the Compliance Officer has been received. Moreover, these Insider Trading Procedures apply to the use of outstanding Company securities to constitute part or all of the exercise price of an option, any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

G. FORMER EMPLOYEES: POST-TERMINATION TRANSACTIONS

The trading prohibitions and restrictions set forth in these Insider Trading Procedures continue to apply to Insiders following the termination of any such Insider's service to or

employment with the Company until any material, nonpublic information possessed by such Insider has become public or is no longer material.

H. *POST-TRADE REPORTING*

Insiders are required to report to the Compliance Officer any transaction (including transactions pursuant to a Rule 10b5-1 Plan) in securities of the Company by them or their Affiliated Persons no later than the end of the day in which the transaction occurs by completing the "Confirmation of Transaction" section of the Stock Transaction Request form attached to these Insider Trading Procedures. Compliance by Insiders with this provision is imperative given the requirement of Section 16 of the Exchange Act that Insiders generally must report changes in beneficial ownership of Company securities within two (2) business days. The sanctions for noncompliance with this reporting deadline include mandatory disclosure in the Company's proxy statement for the next annual meeting of stockholders, as well as possible civil or criminal sanctions for chronic or egregious violators.

Each report an Insider makes to the Compliance Officer should include the date of the transaction, quantity of shares, price and broker-dealer through which the transaction was effected. This reporting requirement may be satisfied by sending (or having such Insider's broker send) duplicate confirmations of trades to the Compliance Officer if such information is received by the Compliance Officer on or before the required date. This requirement is in addition to any required notification that the Company receives from the broker who completes the trade.

SECTION VII. POTENTIAL CIVIL, CRIMINAL AND DISCIPLINARY SANCTIONS

A. *CIVIL AND CRIMINAL PENALTIES*

The consequences of prohibited insider trading can be severe. Persons violating insider trading or tipping rules may be required to disgorge the profit gained or the loss avoided by the trading; pay the loss suffered by the persons who, contemporaneously with the purchase or sale of securities that are the subject of such violation, have purchased (where such violation is based on a sale of securities) or sold (where such violation is based on a purchase of securities) securities of the same class; pay civil penalties up to three times the profit made or loss avoided; pay a criminal penalty of up to \$5,000,000; and serve a jail term of up to 20 years. The Company and/or the supervisors of the person violating the rules may also be required to pay major civil or criminal penalties and could under certain circumstances be subject to private lawsuits by contemporaneous traders for damages suffered as a result of illegal insider trading or tipping by persons under the Company's control.

B. *COMPANY DISCIPLINE*

Violation of these Insider Trading Procedures, the Insider Trading Statement or federal or state insider trading laws may subject the person violating such policies or laws to disciplinary action by the Company up to and including termination. The Company reserves the right to determine, in its own discretion and on the basis of the information available to it, whether these Insider Trading Procedures have been violated. The Company may determine that specific conduct violates these Insider Trading Procedures, whether or not the conduct also violates the

law. It is not necessary for the Company to await the filing or conclusion of a civil or criminal action against the alleged violator before taking disciplinary action.

SECTION VIII. REPORTING OF VIOLATIONS

Any Insider who violates these Insider Trading Procedures, the Insider Trading Statement or any federal or state laws governing insider trading, or knows of any such violation by any director, officer or employee of the Company, must report the violation immediately to the Compliance Officer. However, if the conduct in question involves the Compliance Officer, if the Insider has reported it to the Compliance Officer and does not believe that he or she has dealt with it properly, or if the Insider does not feel that he or she can discuss the matter with the Compliance Officer, the Insider may raise the matter with either the Chief Financial Officer or the Chief Executive Officer and President.

SECTION IX. WAIVERS

A waiver of any provision of these Insider Trading Procedures in a specific instance may be authorized in writing by the Compliance Officer or his or her designee, and any such waiver shall be reported to the Company's Board of Directors.

SECTION X. MODIFICATIONS

The Company may at any time change these Insider Trading Procedures or adopt such other policies or procedures which it considers appropriate to carry out the purposes of its insider trading policy. Notice of any such change will be delivered to Insiders by regular or electronic mail (or other delivery option used by the Company) by the Compliance Officer or his or her designee.

SECTION XI. QUESTIONS

Questions regarding these Insider Trading Procedures or the Company's Insider Trading Statement are encouraged and may be directed to the Compliance Officer.

* * * * *

Failure to observe these Insider Trading Procedures and the Insider Trading Statement could lead to significant legal problems, and could have other serious consequences, including termination of employment or consultancy, as applicable.

Approved by Board: February ___, 2011

ACKNOWLEDGMENT

I hereby acknowledge that I have read, that I understand, and that I agree to comply with, the Statement of Company Policy on Insider Trading and Disclosure (the “Insider Trading Statement”) and the Amended and Restated Insider Trading Procedures (the “Insider Trading Procedures” and, together with the Insider Trading Statement, the “Insider Trading Policy”) of Virtusa Corporation. (the “Company”). I also understand and agree that I will be subject to sanctions, including termination of employment, that may be imposed by the Company, in its sole discretion, for violation of the Insider Trading Policy, and that the Company may give stop-transfer and other instructions to the Company’s transfer agent against the transfer of Company securities by the undersigned in a transaction that the Company considers to be in contravention of the Insider Trading Policy.

Date: _____

Signature: _____

Name: _____
(Please Print)

Title: _____

STOCK TRANSACTION REQUEST

Pursuant to Virtusa Corporation's Amended and Restated Insider Trading Procedures (the "Insider Trading Procedures"), I hereby notify Virtusa Corporation (the "Company") of my intent to trade the securities of the Company as indicated below:

<u>REQUESTER INFORMATION</u>	
Insider's Name:	_____

<u>INTENT TO PURCHASE</u>	
Number of shares:	_____
Intended trade date:	_____
Means of acquiring shares:	<input type="checkbox"/> Purchase through a broker on the open market
	<input type="checkbox"/> Other (please specify): _____

<u>INTENT TO SELL</u>	
Number of shares:	_____
Intended trade date:	_____
Means of selling shares:	<input type="checkbox"/> Sale through a broker on the open market
	<input type="checkbox"/> Other (please specify): _____

<u>CERTIFICATION</u>	
I hereby certify that (i) I am not in possession of any material, nonpublic information concerning the Company, as defined in the Company's Statement of Company Policy on Insider Trading and Disclosure, (ii) to the best of my knowledge, the proposed trade(s) listed above does not violate the trading restrictions of Section 16 of the Securities Exchange Act of 1934, as amended, or Rule 144 under the Securities Act of 1933, as amended, and (iii) I am not purchasing any securities of the Company on margin in contravention of the Company's Insider Trading Procedures. I understand that, if I trade while possessing such information or in violation of such trading restrictions, I may be subject to severe civil and/or criminal penalties, and may be subject to discipline by the Company including termination.	
_____ Insider's Signature	_____ Date

<u>AUTHORIZED APPROVAL</u>	
_____ Signature of Compliance Officer (or designee)	_____ Date

<u>CONFIRMATION OF TRANSACTION</u>			
I hereby confirm that the transaction(s) requested above was (were) executed as follows:			
<input type="checkbox"/>	Purchase of shares: *Number of shares: _____	Price per share: _____	Date and approximate time of purchase: _____
<input type="checkbox"/>	Sale of shares: *Number of shares: _____	Price per share: _____	Date and approximate time of sale: _____
_____ Insider's Signature	_____ Date		

Signature _____ Date _____

**NOTE: Multiple lots must be listed on separate forms or broken out herein.*