

# EXL Compensation Committee Charter

## I. Purpose

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of ExlService Holdings, Inc., a Delaware corporation (the "Company"), shall have direct responsibility for the compensation of the Company's executive officers and shall review and recommend policies relating to compensation and benefits of the Company's directors, officers and employees. For this purpose, compensation shall include:

- > annual base salary;
- > annual incentive opportunity;
- > long-term incentive opportunity;
- > stock option or other equity participation plans;
- > profit-sharing plans;
- > the terms of employment agreements, severance arrangements, change in control agreements and other similar arrangements, in each case as, when and if appropriate;
- > any special or supplemental benefits; and
- > any other payments that are deemed compensation under applicable Securities and Exchange Commission ("SEC") rules.

The Committee's goals are to ensure that the Company's compensation programs are designed to provide a competitive level of compensation to attract and retain talented executives and directors, reward and encourage maximum corporate and individual performance, promote accountability and assure that executive and director interests are aligned with the interests of the Company's shareholders.

The Committee may form and delegate authority to subcommittees when appropriate, provided that the subcommittees are composed entirely of directors who satisfy the applicable independence requirements of the Nasdaq Rules.

## II. Organization

The Committee shall consist of three or more directors, each of whom shall satisfy the applicable independence requirements of the Nasdaq Marketplace Rules (as amended from time to time, the "Nasdaq Rules") and any other regulatory requirements, subject to any applicable exceptions therein. At least one member of the Committee shall have experience in matters relating to executive compensation either as a professional or as a business executive.

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating & Governance Committee. Members of the Committee may be removed at any time by action of the Board. The Committee's chairperson shall be designated by the Board or, if it does not do so, the members of the Committee shall elect a chairperson by a vote of the majority of the full Committee.

The Committee may form and delegate authority to subcommittees when appropriate; provided that the subcommittees are composed entirely of directors who satisfy the applicable independence requirements of the Nasdaq Rules.

If at any time the Committee includes a member who is not a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 (the "Exchange Act") ("Non-Employee Director"), then either a subcommittee comprised entirely of individuals who are Non-Employee Directors or the entire Board shall ratify any grants made to any individual who is subject to liability under Section 16 of the Exchange Act.

If at any time the Committee includes a member who is not an "outside director" ("Outside Director") within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder (the "Code"), then a subcommittee comprised entirely of two or more individuals who are Outside Directors shall

approve any grants made to any individual if the Committee determines the deductibility of such compensation is or could be affected by Section 162(m) of the Code.

### III. Meetings

The Committee shall meet at least four times per year or more frequently as circumstances require. The Committee's chairperson will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. Meetings shall be called by the chairperson of the Committee or, if there is no chairperson, by a majority of the members of the Committee. Meetings may be held telephonically or similar communications equipment by means of which all persons participating in the meeting can hear each other, to the extent permitted by the Company's organizational documents and applicable Delaware law.

### IV. Authority and Responsibilities

To fulfill its responsibilities, the Committee shall:

1. Review and approve the Company's compensation strategy to ensure it is appropriate to continue to attract, retain and motivate senior management and other key employees.
2. Determine and approve the Chief Executive Officer's (the "CEO") compensation level taking into consideration the Nominating and Governance Committee's report on the annual performance evaluation of the CEO. In evaluating, determining and approving the long-term incentive component of CEO compensation, the Committee may also consider, among such other factors as it may deem relevant, the Company's performance, shareholder returns, the value of similar incentive awards to chief executive officers at comparable companies, the value of similar awards given to other executive officers of the Company and the awards given to the CEO in past years. The CEO shall not be present during voting or deliberations relating to the CEO's compensation.
3. On an annual basis, review, determine and approve the compensation of all members of the Executive Committee and such other executives of the Company as requested by the Committee (the "Executive Officers") , seeking to ensure that such executives are compensated effectively and in a manner consistent with the Company's compensation strategy, internal considerations, competitive factors and applicable regulatory requirements, and considering the Nominating and Governance Committee's report on the annual performance evaluation of management.

4. Approve the Company's equity-based plans and incentive compensation plans in which executive officers or directors are eligible to participate, and recommend to the Board for approval those plans for which shareholder approval is required.
5. Review, evaluate and maintain oversight of the Company's incentive compensation plans and equity-based plans and review and approve all equity-based awards (or, to the extent permitted under applicable law or stock exchange regulation, delegate approval of equity-based awards to members of the Company's management).
6. Review and approve: (i) the entering into or amendment or extension of any employment contract or similar arrangement with any Executive Officer, (ii) any severance or change in control arrangement with an Executive Officer, (iii) any supplemental or retirement benefits payable to each Executive Officer, (iv) any other executive compensation matters as from time to time directed by the Board. In addition, periodically review and approve a group of companies for executive compensation competitive comparisons and monitor the Company's executive compensation levels and its performance relative to this group.
7. Establish and periodically review policies concerning perquisite, non-cash and other special benefits for Executive Officers and directors.
8. Review and recommend to the Board for approval the fees, equity awards and benefits payable to non-employee directors for their services to the Board and committees of the Board.
9. In consultation with management, oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals, certifying that performance goals have been attained for purposes of Section 162(m) of the Code, and approving any compensation awards to comply with any applicable tax and state corporate laws.
10. Review and approve the creation or revision of any clawback policy allowing the Company to recoup compensation paid to employees.
11. Establish, or recommend to the Board, (i) stock ownership guidelines for executive officers and directors and monitor compliance with such guidelines and (ii) policies with respect to hedging and pledging of Company stock and periodically review compliance with such policies.
12. Periodically review the Corporation's compensation policies and practices for employees to assess whether such policies and practices could lead to unnecessary risk-taking behavior.

13. Review and recommend to the Board the Company's submissions to shareholders on executive compensation matters, including advisory votes on executive compensation and the frequency of such votes. Consider the results of shareholder advisory votes on executive compensation matters and the changes, if any, to the Company's executive compensation policies, practices and plans that may be warranted as a result of any such vote.
14. Review the Company's compensation disclosures in its annual proxy statement and its Annual Report on Form 10-K filed with the SEC. Review and discuss with management the Company's Compensation Discussion and Analysis ("CDA") and recommend to the Board whether such compensation disclosures and CDA should be disclosed in the Company's Annual Report on Form 10-K or annual proxy statement filed with the SEC, as applicable.
15. Prepare any report required by applicable rules and regulations or listing standards, including the report required by the SEC to be included in the Company's annual proxy statement, or, if the Company does not file a proxy statement, in the Company's Annual Report filed on Form 10 K with the SEC.
16. Review and reassess the adequacy of this Charter annually and recommend to the Board any changes deemed appropriate by the Committee.
17. Review its own performance annually.
18. Report regularly to the Board.
19. Perform any other activities consistent with this Charter, the Company's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

Nothing in this Charter shall preclude the Board from discussing CEO or non-CEO compensation generally or any other subject.

The foregoing responsibilities and duties set forth in this Charter should serve as a guide only, with the express understanding that the Committee may carry out additional responsibilities and duties and adopt additional policies and procedures as may be necessary in light of any changing business, legislative, regulatory, legal or other conditions.

## V. Resources

The Committee shall have the sole authority to retain or terminate counsel, advisors and consultants or other professionals to assist the Committee in the evaluation of director, CEO or other senior executive compensation and to carry out its duties, and shall oversee the work of any such professionals retained by the Committee in this regard. The Chair of the Committee, at the

request of any member of the Committee, may request any officer or employee of the Company or the Company's outside counsel to attend a meeting or to meet with any members of, or advisors or consultants to, the Committee or otherwise respond to Committee requests.

The Committee shall have the sole authority to determine the terms of engagement and the extent of funding necessary for payment of fees to any counsel, advisors, accountants, consultants or other professionals retained to advise the Committee and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Company shall provide funds for payment of all such fees and expenses accrued and approved by the Committee.

When appointing or receiving advice from any compensation consultant, special counsel, or other advisor to the Committee, the Committee shall, subject to any applicable exceptions under rules and regulations of the SEC or NASDAQ, consider whether such person has any material relationship with the Company and is otherwise independent of the Company. In determining whether a compensation consultant, legal counsel, or other advisor to the Committee is independent of the Company, the Committee shall consider the factors set forth in NASDAQ listing standards with respect to advisor independence, as well as any other factors the Committee deems relevant.