

INFOSYS BPM LIMITED

Regd Office: Plot Nos.26/3,26/4 & 26/6, Hosur Road
Electronics City, Bangalore 560100, India
Corporate Identity Number: U72200KA2002PLC030310
Telephone Number: 91 80 2852 2405
Fax Number: 91 80 2852 2411
E-mail: cosecretarybpm@infosys.com
Website Address: www.infosysbpm.com



To,

[]

Date: []

Dear []

Subject: Appointment of Independent Director

I am pleased to inform you that upon the recommendation of the Nominations and Remuneration Committee, the Board of Directors ('the **Board**') of Infosys BPM Limited ('the **Company**') and the shareholders of the Company have approved your appointment as an independent director of the Company ('**Independent Director**'). This letter sets out the terms of your appointment.

1. Appointment

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you will serve as an Independent Director of the Board for a term up tofrom the date of your appointment effective

2. Board Committees

As advised by the Board, during the tenure of office, you may be required to serve on one or more of the committees of the Board established by the Company. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

3. Training of the Board

Every new Independent Director of the Board attends an orientation program. Presentations are made by Executive Directors/ senior managerial personnel. The presentations cover an overview of company's strategies and operations to familiarize the new inductees about the strategy, operations and functions of the Company. The induction program will provide an opportunity to interact with the senior leadership of the Company and familiarize yourself with the Company's strategy, operations, service and product offerings, markets, software, delivery, organization structure, finance, HR, quality, facilities and Risk Management.

4. Professional Conduct

As an independent Director, you shall:

- a) Uphold ethical standards of integrity and probity;
- b) Act objectively and constructively while exercising your duties;
- c) Exercise your responsibilities in a bona fide manner in the interest of the Company;

- d) Devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- e) Not allow any extraneous considerations that may vitiate your exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision-making;
- f) Not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person.
- g) Refrain from any action that could lead to a loss of your independence:
- h) Ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
- i) Assist the Company in implementing the best corporate governance practices.

5. Functions, Responsibilities and Duties of Directors

5.1. Functions

- (a) To review the Company's strategy, the annual financial plan and monitor the Company's performance:

The primary role of the members of the Board is to exercise their business judgment to act in what they believe to be the best interests of the company and its shareholders. It is the duty of the Board to ensure that the Management performs with competence and values to achieve the objectives of the company. Generally, the Board meets once a quarter. The quarterly meeting of the board includes updates on the business, financial and business enabler functions and discussions on such updates. The Audit Committee of the Board reviews the Company's financials and recommends the same to the Board for its acceptance. The Board monitors the Company's performance against its annual financial plan at its quarterly meetings as well as at the end of the financial year.

- (b) To review management performance and compensation:

The Nomination and Remuneration committee of the Board evaluates the performance of the executive officers of the company and recommends their compensation for the ensuing year to the Board. Such compensation may include stocks, options and variable pay.

- (c) To review and decide on succession planning of executive officers of the company:

The Nominations and Remuneration Committee of the Board works with the Board to develop an orderly plan for the succession of leadership of the Board and the executive officers of company. The committee develops contingency plans for succession in the case of exigencies.

- (d) To advise and counsel the Management:

The Board should be composed of individuals whose knowledge, background, experience and judgment are valuable to the company. They should also be capable of providing advice to the senior management of the company. Members of the Board have full access to the Management (senior management) and other employees as well as to the Company's records and documents. The Board may also seek legal or other expert advice from a source independent of the Management.

- (e) To monitor and manage potential conflicts of interests of the Management:

The Audit Committee of the Board reviews and approves related party transactions, as required under the applicable laws as applicable to the company.

(f) To oversee and ensure the integrity of financial information and legal compliance:

The Audit Committee of the Board oversees the Company's accounting and financial reporting processes and the audit of the Company's financial statements and assists the Board in the overseeing of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements (3) the independent auditors qualifications, independence and performance and (4) the company's internal accounting and financial controls.

5.2 Responsibilities

Independent directors have the same general legal responsibilities to the company as that of any other director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

The Board:

- a. Provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- b. Sets the Company's strategic aims, ensures that the necessary financial and human resource requirements are in place for the Company to meet its objectives, and reviews management performance;
- c. Sets the Company's values and standards, ensures that its obligations to its shareholders and others are understood and met by the Company.

In addition to the criteria mentioned in the previous sections for the inductions of Directors, the role of Independent Directors also includes tracking, reviewing and providing feedback on:

- i. Strategy: Independent directors to constructively contribute to the development of the Company strategy;
- ii. Performance: Independent Directors to oversee the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance;
- iii. Risk: Independent Directors to evaluate and ensure that financial information is accurate, and that financial controls and systems of risk management are robust and defensible;
- iv. People: Independent Directors responsible for determining the appropriate levels of remuneration of executive directors and the process of succession planning. They also have a prime role in appointing, and, where necessary, removing senior management.
- v. Stakeholders: Independent Directors to balance the conflicting interest of the stakeholders, including minority shareholders. In the event of any conflict, they shall moderate and arbitrate in the interest of the Company as a whole.

5.3. Duties

As an Independent Director, you shall:

- a) Undertake the appropriate induction into the Board and regularly update and refresh your skills, knowledge and familiarity with the Company;
- b) Seek appropriate clarification and, where necessary, seek and follow appropriate professional advice from external experts at the expense of the Company;

- c) Strive to attend every meeting of the Board and of the Board committees of which you are a member;
- d) Actively and constructively participate in the Committee(s) of the Board in which you may be a member or the Chairperson;
- e) Strive to attend the general meetings of the Company;
- f) Ensure that any concerns that you may have about the running of the Company are addressed by the Board and seek inclusion of these concerns in the Board minutes to the extent these concerns are not resolved;
- g) Keep yourself well informed about the Company and the external environment in which it operates;
- h) Not unfairly obstruct the functioning of an otherwise proper Board or committee;
- i) Ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company.
- j) Ensure that the whistleblower function of the Company is functioning adequately;
- k) Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- l) Within your authority, assist in protecting the legitimate interests of the Company, Shareholders and its employees;
- m) Not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.

6. Fees

- 6.1 The compensation of the non-executive/independent directors is approved at a meeting of the full Board. The total compensation payable to the entire group of non-executive/independent directors is limited to a fixed amount per year determined by the Board. This amount shall not exceed 1% of the net profit of the Company for the year calculated as per the provisions of the Companies Act, 2013.
- 6.2. In addition to the above, non-executive/independent Directors would be entitled to the reimbursement of only the following items of expenditure that may be incurred in travelling to the place of the Board meetings and other committee meetings of the company and back to their normal place of residence:
 - (a) First class (for international travel) and business class (for domestic travel) airfare from the normal place of residence to the place of the Board or committee meetings and back to their normal place of residence.
 - (b) Accommodation at our campus or any hotel as determined by the Company for the duration of Board and committee meetings, and during the day prior to and after such meetings.
 - (c) Out of pocket expenses, like conveyance, food, and incidentals that are incurred during the days of the Board and committee meetings.

7. D&O Insurance

The Company maintains a Directors and Officers insurance policy to pay for the personal liability of Directors and officers for claims made against them while serving on the Board and / or as an officer of the Company.

8. Term

Subject to applicable law, independent directors are eligible to serve for a period of two terms of 5 years each or up to the age of retirement (70 years) whichever is earlier.

9. Memberships of other Boards

It is expected that you will not serve on the boards of competing companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.

10. Information on meetings

10.1 Scheduling and selection of agenda items for Board meetings.

Dates for the Board meeting for the ensuing year are decided in advance. Generally, the Board meetings are held at the Company's Registered Office at Electronics City, Bangalore, India. The Chairman of the Board and the Company Secretary, in consultation with the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), draft the agenda for each meeting, along with explanatory notes, and distribute it in advance to the Board members. Every Board member is free to suggest the inclusion of items on the agenda. Normally, The Board meets once a quarter to review the quarterly results and the other items on the agenda. The Board also meets during the annual shareholders' meeting. Additional meetings are held based on need. Non-executive directors are expected to attend at least four Board meetings in a year.

The Board, being represented by non-executive/independent directors from various parts of the globe, it may not be possible for each one of them to be physically present at all the Board Meetings. The company provides video / teleconference facilities to facilitate participation.

10.2 Availability of information to Board

The Board has full and unfettered access to any information of the company, and to any employee of the Company. At Board meetings, the Board invites managers of the Company when additional details into the items being discussed are required.

10.3 Independent Directors' discussion

The Board policy is to have regular "Independent directors only" meetings so that they can have a full and frank discussion on the performance of the company, risks faced by the company, and the performance of executive members of the Board including the chairperson. The Independent Director presides over such meeting and may invite chairman, any executive director and any senior management personnel to make presentations on relevant issues.

11. Mechanism for evaluation and Board members

The Chairperson of the Nomination and Remuneration Committee conducts an annual Board evaluation and a peer evaluation survey to assess the performance of the Board as a whole and that of individual Board members. Performance is assessed based on clearly defined objective criteria. This is in line with the Company's policy of being data-oriented in every transaction and decision. The evaluation starts with the principle "In God we trust, everyone else must bring data". Performance is measured against commitments and best-in-class benchmarks.

The Company believes in leadership by example and hence leaders are to show the way in terms of committing to specific, aggressive and stretched targets.

11.1 Independent Board Members

Each Board member makes a presentation to the Board highlighting his or her contributions and thought leadership initiatives pursued during the year. The evaluation is done on a three-point scale. Independent directors have three key roles – Governance, Control and Guidance. Some of the performance indicators based on which the independent directors are evaluated are:

- a) Ability to contribute to and monitor our corporate governance practices;
- b) Ability to contribute by introducing international best practices to address top-management issues;
- c) Active participation in long-term strategic planning;
- d) Commitment to the fulfillment of a director's obligations; and
- e) Fiduciary responsibilities.

11.2 Executive Board Members

The performance appraisal system for executive directors provide for the alignment of the director's targets with those of the Company through a set of key performance indicators (KPIs) that are objective, rigorous and structured.

12. Retirement Policy

The age of retirement for all executive directors is 60 years. The Nomination and Remuneration Committee may, at its discretion, determine their continuation as members of the Board upon superannuation/retirement. The age of retirement for non-executive Directors and independent directors is 70 years.

13. Dealing in shares and Code of Conduct

Directors are prohibited from dealing in the Company's holding company's shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are to pre clear all trades (buy/sell/gift) from the Compliance Officer. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with the Company's code of conduct and Ethics, enclosed with this letter of appointment.

14. Corporate Calendar

The corporate calendar and the Board meeting dates shall be intimated in advance from time to time. It is a pleasure to have you on board. I am confident that your association, expertise and advice will immensely benefit the Company and the Board.

Best regards,
Yours sincerely

Chairman