



## **Audit Committee Charter**

### **Purpose**

The purpose of the audit committee (the “committee”) of Infosys BPO Limited (the “Company”) is to assist the Board with oversight of (i) the integrity of the Company's financial statements, (ii) the Company's independent registered auditors' qualifications and independence, (iii) the performance of the Company's internal audit function and independent registered auditors , (iv) the deployment of policies and assessing adequacy of outcomes and (v) compliance with legal and regulatory requirements, with a view to ensure accurate, timely and proper disclosures, and transparency, integrity and quality of financial reporting.

The primary role of the committee is to oversee the financial reporting and disclosure process. To fulfill this obligation, the committee relies on: the Company's management (“Management”) for the preparation and accuracy of the Company's financial statements; both Management and the Company's internal audit department for establishing effective internal controls and procedures to ensure the Company's compliance with accounting standards, financial reporting procedures and applicable laws and regulations; and the Company's independent auditors for an unbiased, diligent audit or review, as applicable, of the Company's financial statements and the effectiveness of the Company's internal controls. The members of the committee are not employees of the Company and are not responsible for conducting the audit or performing other accounting procedures.

### **Responsibilities**

The committee shall have the following authority and responsibilities:

Appoint, retain, compensate, oversee the work of and, if necessary, terminate an independent registered public accounting firm to act as the Company's independent auditors (including resolving disagreements between Management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.

Review and discuss with the Company's independent auditors (1) all critical accounting policies and practices to be used in the audit; (2) all alternative treatments of financial information within International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) that have been discussed with Management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; and (3) other material written communications between the auditors and Management.

Provide an open avenue of communication between the independent auditor, internal auditor and the Board.

Meet at least four times every year, or more frequently based on requirement. The audit committee may ask members of the Management or others to attend meetings and provide pertinent information as necessary.



Evaluate the qualifications, performance and independence of the independent auditor and confirm the objectivity of the internal auditor.

Review and pre-approve all related party transactions in the Company. For this purpose, the committee may designate a member who shall be responsible for pre-approving related party transactions.

If permitted under applicable laws, pre-approve investments by the Company's directors, officers, employees and trainees that will lead to acquiring or holding a controlling stake in another company in accordance with the Company's Code of Conduct and Ethics.

Review with the independent auditor on the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.

Consider and review the following with the independent auditor, the internal auditor and the Management:

The adequacy and effectiveness of internal controls, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company's internal controls and any special audit steps adopted in light of any material control deficiencies, and any fraud involving Management or other employees with a significant role in such internal controls; and

Related findings and recommendations of the independent auditor and internal auditor, together with the Management's responses.

Consider and pre-approve all audit and permitted non-auditing services to be provided by the independent auditor to the Company, and establish policies and procedures for the committee's pre-approval of permitted services by the Company's independent auditors on an on-going basis. For the purpose of this clause, "non-auditing services" shall mean any professional services provided to the Company by the independent auditor, other than those provided to the Company in connection with an audit or a review of the financial statements of the Company and includes (but is not limited to):

- Bookkeeping or other services related to the accounting records or financial statements of the Company;
- Financial information system design and implementation;
- Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- Actuarial services;
- Internal audit outsourcing services;
- Management functions or human resources;



- Broker or dealer, investment advisor, or investment banking services;
- Legal services and expert services unrelated to the audit; and
- Any other service that the Board determines impermissible.

Conduct a post-audit review of the financial statements and audit findings, including any significant suggestions for improvements provided to the Management by the independent auditor or the internal auditor.

Review and discuss with the Board, the quarterly reports provided by the Compliance Officer.

Review, in conjunction with Management and the independent auditor, any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies. Review, in conjunction with the counsel, any legal matters that could have a significant impact on the Company's financial statements or the Company's compliance procedures.

Review the Company's compliance with employee benefit plans.

Oversee and review the Company's policies regarding Information Technology and Management Information Systems.

If necessary, institute special investigations with full access to the internal auditors, chairperson of the Board, Management and the independent auditor, as well as all books, records, facilities and personnel of the Company.

As appropriate, engage independent counsel or other advisors as it deems necessary or appropriate to carry out its duties. The committee shall set the compensation, and oversee the work of, any independent counsel or other advisors retained by it. The Company will provide appropriate funding, as determined by the committee, to pay the independent auditor, any other registered public accounting firm and any independent counsel and any other outside advisors hired by the committee and any administrative expenses of the committee that are necessary or appropriate in carrying out its activities.

Review its own charter, structure, processes and membership requirements.

Review and assess its own performance on an annual basis.

Establish procedures for receiving, retaining and treating complaints received by the Company regarding accounting, internal accounting controls or auditing matters and procedures for the confidential, anonymous submission by employees, of concerns regarding questionable accounting or auditing matters.

Consider and review the following with the Management, internal auditor and the independent auditor:



- Significant findings during the year, including the status of previous audit recommendations;
- Any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles;
- Effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements;
- Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information, and Management's response;
- Any significant disagreements between management and the independent auditor; and
- Any changes required in the planned scope of the internal audit plan.

Set hiring policies with regard to employees and former employees of the independent auditor and oversee compliance with such policies.

Review and approve the overall purpose, scope, organizational structure, responsibilities, resources and activities of the internal audit function. Discuss with the independent auditor the responsibilities, budget and staffing of the Company's internal audit function. Review and discuss the performance and effectiveness of the internal audit function.

Report periodically to the Board on significant results of the foregoing activities.

### **Composition**

The committee shall consist majority of "independent" directors of the Company as determined by the Board and shall comprise a minimum of three directors. Each member will be able to read and understand fundamental financial statements. They should be diligent, knowledgeable, dedicated, interested in the job and willing to devote a substantial amount of time and energy to the responsibilities of the committee, in addition to Board responsibilities. At least one of the members must be an "audit committee financial expert" as determined by the Board. At least one of the members must have accounting or related financial management expertise, as determined by the Board. The members of the committee shall be elected by the Board, based on recommendations from the Nomination & Remuneration committee of the Board, and shall continue until their successors are duly elected. The duties and responsibilities of a member are in addition to those applicable to a member of the Board. In recognition of the time burden associated with the service and with a view to bring in fresh insight, the committee may consider limiting the term of the audit committee service, by automatic rotation or by other means. In addition, no member of the committee shall simultaneously serve on the audit committees of more than 2 other public companies, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the committee. One of the members shall be elected as the chairperson, either by the entire Board or by the members themselves, by majority vote.



### **Relationship with independent and internal auditors**

The committee has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent auditor in accordance with the law. All possible measures must be taken by the committee to ensure the objectivity and independence of the independent auditor. These include:

- Reviewing the independent auditors' proposed audit scope, approach and timing.
- Overseeing and, at least annually, evaluating the work of the independent auditor or any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, which evaluation shall include a review and evaluation of the lead partner of the independent auditor. The committee shall review, in consultation with the independent auditor, the annual audit plan and scope of audit activities and monitor such plan's progress.
- Annually obtaining and reviewing a report by the independent auditor that describes (i) the independent auditor's internal quality control procedures, and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding any independent audit performed by the independent auditor, and any steps taken to deal with any such issues.
- Overseeing the rotation of the independent auditor's lead audit and concurring partners and the rotation of other audit partners, with applicable time-out periods, in accordance with applicable law.
- Actively engaging in dialog with the auditors with respect to any disclosed relationships or services that may impact their objectivity and independence and / or recommend that the entire Board take appropriate action to ensure their independence.
- Encouraging the independent auditors to have open and frank discussions on their judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting. This covers issues such as the clarity of the Company's financial disclosures, and degree of aggressiveness or conservatism of the Company's accounting principles and underlying estimates, and other significant decisions made by the Management in preparing the financial disclosure and audited by them.

The internal auditors of the Company are in the best position to evaluate and report on the adequacy and effectiveness of internal controls. Keeping in view the need for the internal auditors' independence from the Management to remain objective, a formal mechanism should be created to facilitate confidential exchanges between the internal auditors and the committee, regardless of irregularities or problems. The work carried out by each of these auditors needs to be assessed and reviewed with the independent auditors and appropriate recommendations made to the Board.



## **Disclosure Requirements**

The committee charter should be published on the Company's website and whenever any significant amendment is made to the charter.

The committee shall disclose in the Company's Annual Report, with respect to the concerned fiscal year:

- The Management has reviewed the audited financial statements with the committee, including a discussion of the quality of the accounting principles as applied, and significant judgments affecting the Company's financial statements.
- The independent auditors have discussed with the committee their judgments of the quality of those principles as applied and judgments referred to above under the circumstances.
- The members of the committee have discussed among themselves, without the Management or the independent auditors being present, the information disclosed to the committee as described above.
- The committee, in reliance on the review and discussions conducted with the Management and the independent auditors pursuant to the requirements above, believes that the Company's financial statements are fairly presented in conformity with IFRS in all material respects.
- The committee has satisfied its responsibilities in compliance with its charter.

The committee shall report to shareholders as required by applicable law.

## **Meetings and Reports**

The committee shall meet at least four times a year.

The committee will meet separately with the CEO and the CFO of the Company at such times as are appropriate to review the financial affairs of the Company. The audit committee will meet separately with the independent auditors and the head of the internal audit department of the Company in separate executive sessions, at such times as it deems appropriate (but not less than quarterly) to fulfill the responsibilities of the audit committee under this charter. Each regularly scheduled meeting of the committee will conclude with an executive session of the committee without the members of Management.

The committee may invite to its meetings any director, officer or employee of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The committee may also exclude from its meetings any persons it deems appropriate in order to carry



out its responsibilities, including non-management directors who are not members of the committee.

The committee shall report regularly to the Board with respect to the committee's activities, including any significant issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance of the internal audit function or the performance and independence of the Company's independent auditor, as applicable, and shall make recommendations to the Board as appropriate.

The committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

**Delegation of authority**

The committee may delegate to one or more designated members of the committee the authority to pre-approve audit and permissible non-audit services, provided such pre-approval decision is presented to the full audit committee at its scheduled meetings.

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