



## **Team & Condition of Appointment of Independent Director**

### **1. Appointment**

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you, <Name>, will serve as an Independent Director of the Board for a term up to <Term> from the date of your appointment. Your appointment is subject to the approval of shareholders.

### **2. Board committees**

2.1. 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 Policies which sets out the functions of that Committee.

2.2. Currently, the Board has four committees: Audit Committee, Nomination and Remuneration Committee (NRC), Stakeholders Relationship Committee (SRC) and Corporate Social Responsibility (CSR) Committee. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members. The chairperson of the Board, in consultation with the company secretary and the committee chairperson, determines the frequency and duration of the committee meetings. The meetings of the audit, nomination and remuneration and stakeholders' relationship committee taken together last for the better part of a working day. Recommendations of the committees are submitted to the full Board for approval. The quorum for meetings is either two members of the committee or one-third of the members of the committee, whichever is higher.

### **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 our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our Company. The orientation program will cover the following topics-

- Company's strategy
- Operations
- Service offerings
- Product offerings
- Markets
- Software delivery
- Organization structure
- Finance
- Human Resources
- Technology

- Quality
- Facilities
- 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 judgement in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision-making
- (f) Not abuse his 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, refrain from any action that would lead to loss of his independence;
- (h) Where circumstances arise, which make an Independent director lose his independence, the independent director must immediately inform the board accordingly; and
- (i) assist the Company in implementing the best corporate governance practices.

#### **5. Functions and Duties of Directors**

##### **5.1. Functions**

- 1) Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- 2) Bring an objective view in the evaluation of the performance of board and management;
- 3) Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) Satisfy themselves on the integrity of financial information and those financial controls and the systems of risk management are robust and defensible;
- 5) Safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) Balance the conflicting interest of the stakeholders;
- 7) Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 8) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

## **5.2. Duties**

As an Independent director, you shall:

- 1) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2) Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- 3) Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) Participate constructively and actively in the committees of the Board in which you are chairpersons or members;
- 5) Strive to attend the general meetings of the company;
- 6) Concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 7) Keep yourself well informed about the company and the external environment in which it operates;
- 8) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- 10) Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive 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, If any payable.



**6.2.** A director may receive fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board. However, such sum as may be decided by the Board of directors thereof shall not exceed one lakh rupees per meeting of the Board or committee thereof.

**6.3.** 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 traveling 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.

## **7. 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.

## **8. 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.

## **9. Information on meetings**

### **9.1. Scheduling and selection of agenda items for Board meetings**

Generally, the Board meetings are held at the Company's Registered Office at Bengaluru, India. The Chairman of the Board and the Company Secretary, in consultation with 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 other items on the agenda. The Board also meets during the annual shareholders' meeting. Additional meetings are held based on need.

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.

## **9.2. Availability of information to the 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.

## **9.3. Independent directors' discussion**

The Board's 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 Lead Independent Director presides over such meetings and may invite the chairman, any executive director and any senior management personnel to make presentations on relevant issues.

## **9.4. Annual Strategy Retreat and STRAP**

The Annual Strategy Retreat / STRAP with the Board is a key event in the Company's annual strategy planning process. The objective of this retreat is to deliberate on the Company's strategy, priorities and to accept the annual financial and operational plans for the ensuing year. This retreat has participation from the company's senior management and directors including business heads, business enabler function heads and strategic initiative team members.

In summary, through this process, members of the Board get a comprehensive and balanced perspective on the strategic issues facing the Company, the competitive differentiation being pursued by the Company and an overview of the execution plan. In addition, this event allows the members of the Board to interact closely with the senior leadership of the Company.

## **10. Mechanism for evaluating 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.

### **10.1. 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 fulfilment of a director's obligations; and
- (e) Fiduciary responsibilities.

## **10.2. Executive Board Members**

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

## **11. Retirement policy**

The age of retirement for independent directors is 70 years. The Nomination and Remuneration Committee may, at its discretion, determine your continuation as members of the Board upon superannuation/retirement.

## **12. Dealing in shares and Code of Conduct**

Directors are prohibited from dealing in the 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 CFO of the Company and the Compliance Officer. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with all Code of Conduct of the Company.

## **13. Corporate calendar**

The corporate calendar and the Board meeting dates shall be intimated in advance from time to time.

## **14. Trading window closure**

The Company shall specify a trading period, to be called "trading window", for trading in the Company's securities. When the trading window is closed the directors shall not trade in the Company's securities in such period.

The trading window shall be closed during the following time periods when the information is unpublished:

- i. Declaration of financial results (quarterly, half-yearly and annually)
- ii. Declaration of dividends (interim and final)
- iii. Issue of securities by way of public/rights/bonus etc.



- iv. Any major expansion plans or execution of new projects
- v. Amalgamations, mergers, takeovers and buy-back
- vi. Disposal of whole or substantially whole of the undertaking
- vii. Any material changes in policies, plans or operations of the Company

The time for commencement of closing of trading window shall be decided by the Company. The trading window shall be opened 48 hours after the information referred to above is made public.