

## F. Compliance with the corporate governance codes

### Corporate Governance Voluntary Guidelines 2009

During the year, the Ministry of Corporate Affairs, Government of India, published the Corporate Governance Voluntary Guidelines 2009. These Guidelines have been published keeping in view the objective of encouraging the use of better practices through voluntary adoption, which not only serve as a benchmark for the corporate sector but also help them in achieving the highest standard of corporate governance. These guidelines provide corporate India a framework to govern themselves voluntarily as per the highest standards of ethical and responsible conduct of business. The Ministry hopes that adoption of these guidelines will also translate into a much higher level of stakeholders' confidence which is crucial to ensure the long-term sustainability and value generation by business. The guidelines broadly focuses on areas such as Board of Directors, responsibilities of the Board, audit committee functions, roles and responsibilities, appointment of auditors, Compliance with Secretarial Standards and a mechanism for whistle blower support. We substantially comply with the Corporate Governance Voluntary Guidelines.

### Revised Clause 49 of the Listing Agreement

SEBI, with a view to improve corporate governance standards in India and to enhance the transparency and integrity of the market, constituted the Committee on Corporate Governance under the chairmanship of N. R. Narayana Murthy. The committee issued two sets of recommendations: the mandatory recommendations and the non-mandatory recommendations.

SEBI has incorporated the recommendations made by the Narayana Murthy Committee on Corporate Governance in Clause 49. A revised Clause 49 was made effective from January 1, 2006. We fully comply with the revised Clause 49 of the Listing Agreement.

### Naresh Chandra Committee

Following instances of irregularities involving auditors in the U.S. and in India, the Government of India, by an order dated August 21, 2002, constituted a high-level committee under the chairmanship of Naresh Chandra to examine the auditor-company relationship and to regulate the role of auditors. Chapters 2, 3 and 4 of the Naresh Chandra Committee report are relevant to us. We comply with these recommendations.

### Kumar Mangalam Birla Committee

SEBI appointed the Committee on Corporate Governance on May 7, 1999, under the chairmanship of Kumar Mangalam Birla, to promote and raise the standards of corporate governance. The SEBI Board adopted the recommendations of the committee on January 25, 2000. We comply with these recommendations.

### Euroshareholders Corporate Governance Guidelines 2000

'Euroshareholders' is the confederation of European shareholders associations, constituted to represent the interests of individual shareholders in the European Union. The guidelines are based on the general principles of corporate governance issued by the Organization for Economic Co-operation and Development (OECD) in 1999, but are more specific and detailed. Subject to the statutory regulations in force in India, we comply with these recommendations.

### Compliance with findings and recommendation of The Conference Board Commission on Public Trust and Private Enterprises in the U.S.

The Conference Board Commission on Public Trust and Private Enterprises was convened to address the circumstances which led to corporate irregularities and the subsequent decline of confidence

in American capital markets. The Commission addressed three key areas – executive compensation, corporate governance, and audit and accounting issues, and issued its first set of findings and recommendations. We substantially comply with these recommendations.

### OECD Principles of Corporate Governance

The governments of the 30 countries in the OECD have recently approved a revised version of the OECD's Principles of Corporate Governance adding new recommendations for good practice in corporate behavior with a view to rebuilding and maintaining public trust in companies and stock markets. We comply with these recommendations.

*A detailed compliance report with the recommendations of various committees listed in this section is available on our website [www.infosys.com](http://www.infosys.com).*

### United Nations Global Compact policy

Announced by the United Nations Secretary-General, Kofi Annan, at the World Economic Forum in Davos, Switzerland, in January 1999, and formally launched at the UN Headquarters in July 2000, the Global Compact policy calls on companies to embrace ten principles in the areas of human rights, labor standards and environment. The policy is a value-based platform designed to promote institutional learning. It utilizes the power of transparency and dialog to identify and disseminate good practices based on universal principles. The ten principles are drawn from the Universal Declaration of Human Rights, the International Labor Organization's Fundamental Principles on Rights at Work, and the Rio Principles on Environment and Development.

#### According to these principles, businesses should:

- Support and respect the protection of internationally proclaimed human rights
- Ensure that they are not complicit in human rights abuses
- Uphold the freedom of association and the effective recognition of the right to collective bargaining
- Support the elimination of all forms of forced and compulsory labor
- Support the effective abolition of child labor
- Eliminate discrimination with respect to employment and occupation
- Support a precautionary approach to environmental challenges
- Undertake initiatives to promote greater environmental responsibility
- Encourage the development and diffusion of environment friendly technologies
- Work against corruption in all its forms, including extortion and bribery

On August 27, 2001, we adopted the United Nations Global Compact policy and became a partner with the United Nations in this initiative. A strong sense of social responsibility is an integral part of our value system. We adhere to the principles of the United Nations Global Compact policy.

*Source: [www.unglobalcompact.org](http://www.unglobalcompact.org)*