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POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

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Version Number	V8.0
Current Policy Effective Date	23 July 2026

Document Change History

Version	Author	Date	Comments
V1.0	A Sivaram Nair	22 November 2010	Approval of Directors' Remuneration Policy
V2.0	A Sivaram Nair	30 July 2014	Amendments to the Remuneration Policy to align with the Companies Act, 2013
V3.0	A Sivaram Nair	13 February 2015	Reimbursement of Remuneration to HPE Directors
V4.0	A Sivaram Nair	27 September 2016	Approval of payment of remuneration to all the Non-Executive Directors including non-Independent Directors.
V5.0	A Sivaram Nair	25 May 2017	Approval for payment of remuneration to all the Non-Executive Directors on a quarterly basis.
V6.0	Subramanian Narayan	10 May 2018	Approval for payment of fixed remuneration to all the non-executive directors on uniform basis with effect from 1 April 2018.

V7.0	Subramanian Narayan	28 April 2022	Approval for increase in payment of remuneration to the Non-Executive Directors with effect from 1 April 2022.
V8.0	Mayank Verma	23 July 2026	Amendment to the name of the Policy and alignment to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. INTRODUCTION

The Board of Directors (the "**Board**") of Mphasis Limited (**"Mphasis"** or the **"Company**") has approved and adopted the Policy on appointment and remuneration of Directors (hereinafter referred to as the "Policy") based on the recommendation of the Nomination and Remuneration Committee (the "Committee") in terms of Section 178(4) of the Companies Act, 2013 ("the Act") and Regulation 19(4) read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

This Policy shall be applicable to the Directors of the Company.

The words and expressions used in this Policy shall have the same meaning assigned to them under the Act and/or the Listing Regulations, as amended from time to time.

2. PURPOSE

The Company recognizes the importance of maintaining competitiveness in both domestic and international markets by ensuring fair, reasonable, and performance-linked remuneration to its Directors. In this context, the Board acknowledges that attracting, retaining and motivating qualified and competent Directors is essential to ensure stable leadership and effective governance. In doing so, due consideration shall be given to the short-term and long-term objectives of investors and other stakeholders.

The Policy establishes a structured framework for reviewing and determining appropriate compensation levels for Directors. The Policy also formulates the criteria for determining qualifications, positive attributes and independence of Directors.

The Remuneration to Key Managerial Personnel (excluding Executive Directors), Senior Management Personnel and other employees shall be governed by the Executive Remuneration Policy of the Company.

3. OBJECTIVES

The Company has formulated the Policy keeping in view the following objectives:

a) To ensure that the remuneration of Directors is reasonable and sufficient to attract, retain and motivate Directors to deliver the quality required to run the Company successfully;

b) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) To ensure that the remuneration to Directors involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

4. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS

(a) Appointment

- The Committee shall identify and ascertain the integrity, qualification, expertise, criteria of independence and experience of the person for appointment as Director and recommend his/her appointment to the Board. The expertise required from the Directors would be defined based on the Company's strategy and needs. The candidate should also possess requisite qualifications and attributes as per the Applicable Laws.
- Appointment of a person to the position of Director (including Independent Director) shall be subject to compliance of the provisions of the Act and the Listing Regulations including any amendments made thereunder from time to time.
- The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
- The term of appointment of Directors shall be governed by the provisions of the applicable laws. The term of the appointment of Executive Director shall also be governed by the prevailing policies of the Company.
- The Committee shall, with reference to every appointment of an Independent Director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

(b) Removal

Due to reasons for any disqualification mentioned in the Applicable Laws, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director subject to the provisions and compliance of the Applicable Laws. The resultant vacancy caused by removal of Director may be filled by the Committee in accordance with this Policy and the applicable laws

(c) Retirement

The Directors of the Company shall retire as per the applicable provisions of the Act and Listing Regulations and relevant policies of the Company, if any. The Board shall have the discretion to retain the Directors in the same position / remuneration or otherwise, even after attaining the retirement age as prescribed under the Act and Listing Regulations, for the benefit of the Company, subject to compliance with the applicable provisions contained therein including approvals required, as necessary.

5. REMUNERATION TO DIRECTORS

While determining the remuneration to Directors, the Committee shall ensure the following:

(a) Remuneration to Non-Executive Directors

i. The Non-Executive Directors shall be entitled to remuneration as detailed hereunder.

ii. Subject to the provisions of the applicable laws, the Non-Executive Directors shall be entitled to an annual remuneration and fees for attending the Meetings of the Board of Directors or its Committees thereof. The remuneration and fee will be payable on a quarterly basis or at such other frequency as may be determined by the Committee/ Board.

iii. Subject to the provisions of the applicable laws, the compensation of the Non-Executive Directors may be structured to include both fixed and variable pay as applicable.

iv. The Non-Executive Independent Directors shall not be entitled to any stock options of the Company.

v. The structure of remuneration for the Non-Executive Directors is detailed in **Annexure 1**.

vi. The Board may based on the recommendation of the Committee, determine the remuneration of the Non-Executive Directors, on such terms as deemed fit, subject to the conditions specified in the Act and the Listing Regulations including in terms of monetary limits, applicable approvals and disclosure requirements.

(b) Remuneration to Executive Director(s)

i. The Executive Director(s) shall be employed under executive service contracts.

ii. All terms of remuneration of Executive Director(s) shall be governed by the provisions of the Act and Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements. The remuneration shall be recommended by the Committee and approved by the Board and Shareholders of the Company.

iii. Subject to the provisions of applicable laws, the remuneration of the Executive Director(s) shall comprise of combination of fixed and performance - based pay with a view to ensuring that the Company can attract and retain key talents. The structure of remuneration for the Executive Director(s) is detailed in **Annexure 2.**

iv. Annual revisions in the remuneration shall be within the remuneration limits approved by the Board and shareholders/Central Government, as applicable and shall be based on the prevailing policy of the Company and the same shall be recommended by the NRC to the Board.

v. The Executive Directors shall not receive any remuneration including fee for attending the Meeting of the Board and its Committees thereof or for directorships in the subsidiaries of the Company.

vi. Subject to the provisions of the applicable laws, in case a person is Executive Director in two or more companies, the total remuneration payable shall be as determined by the Board.

(c) Reimbursement of Expenses to Directors

The Non-Executive Directors shall be entitled for reimbursement of expenses incurred in connection with undertaking their duties and attending meetings. This may include:

- Travel and accommodation
- Conveyance expenses
- Any other expense which is incurred in connection with the performance of duties as Directors.

6. SUPPLEMENTARY PROVISIONS

The Policy shall also be uploaded on the website of the Company at www.mphasis.com. The salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's Report.

The implementation of the Policy shall be monitored by the Committee from time to time. The Committee may review the Policy as and when it deems fit and recommend changes or modifications for approval of the Board.

In case of any subsequent changes in the provisions of Listing Regulations or the Act which makes any of the provisions in the Policy inconsistent with the Listing Regulations or the Act, then the provisions of the Listing Regulations or the Act would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Regulations.

Annexure 1

Structure of Remuneration for Non-Executive Directors:

Particulars	Factor	Remuneration (in USD)
Fixed Remuneration	Flat Fee p.a.	70,000
Variable Remuneration determined based on the following:		
- Chairmanship – Board	Flat Fee p.a.	15,000
- Board Meeting Attendance	Per Meeting	800
- General Body Meeting Attendance	Per Meeting	1,000
- Chairmanship – Audit Committee	Flat Fee p.a.	10,000
- Audit Committee Membership Attendance	Per Meeting	500
- Chairmanship – Nomination and Remuneration Committee	Flat Fee p.a.	5,000
- Nomination and Remuneration Committee Membership Attendance	Per Meeting	300
– Subsidiary Board and Committee Meeting Attendance	Per Meeting	100

Notes:

1. The actual payout in INR may vary depending on the applicable Exchange Rate as on the date of actual payment.
2. The actual payout shall be made after deducting of applicable taxes.
3. The maximum remuneration payable to NEDs including attendance fees for Board and Committee Meetings shall not exceed the limits prescribed under section 197 of the Companies Act, 2013.
4. The portions of the remuneration denominated as "Per Meeting" are applicable in respect of meetings, actually held and participated by the Non –Executive Directors, which are statutorily counted for the purpose of quorum.
5. The Company Secretary is authorized to update amendments to the above remuneration matrix as and when changes arise, without requiring any amendment to the Policy.

Annexure 2

Structure of Remuneration for Executive Directors:

The compensation payable to Executive Directors for the performance of executive duties for the Company is structured as follows:

1.1. *Fixed compensation*

This part of the compensation is determined according to the competitive level in the market taken as a reference, and the individual contribution of the Executive Director.

1.2. *Variable short-term (annual) compensation*

A significant portion of the compensation of Executive Directors performing executive duties for the Company shall be variable, in order to strengthen their commitment to the Company and to motivate their performance. The parameters normally used as a reference for variable annual incentives are:

- Achievement of the objectives established at the Group level.
- Individual performance, in alignment to the duties and objectives established for each executive.
- Other elements and qualitative circumstances linked to the performance of the duties and the individual powers of each position.

1.3. *Variable medium and long-term compensation*

The Company also makes provision for the implementation of incentive schemes linked to the achievement of medium or long-term objectives, in order to foster the retention and motivation of executive Directors and alignment with the sustained maximization of the value of the Company over time.

These schemes may include the grant of Company's Restricted Stock Units / Stock Options thereon or of compensation rights linked to the value thereof.

1.4. *Benefits*

Executive Directors participate, as part of their in-kind compensation, in general health, life insurance and disability insurance plans. These benefits will be entirely in line with existing market practices.

1.5. *Term of appointment*

The term of appointment of Executive Director will be for a period not exceeding 5 years and is terminable by three months notice on either side.

1.6. *Other Benefits*

The Executive Directors shall be entitled to Gratuity, reimbursement of expenses, and employee stock option and restricted stock unit plans of the Company as per the terms of appointment and in line with Company policy, as applicable.

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