



Stakeholders Empowerment Services

Analyze >>> Educate >>> Empower

#### ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance Research and Advisory Firm. SES assists Investors to analyze Governance Practices including matters relating to sustainability, prevalent at Listed Entities and empower Investors to undertake meaningful engagement with Investee Entities.

#### SES SERVICES

**E-BRSR Tool:** Online web-based platform to create **BRSR Report** by the Company and generate **XBRL** in seamless, cost and time effective manner

Already subscribed by HUL, Maruti, TVS Motors, Kansai Nerolac, CDSL, Hero, L&T, Wipro, Bharat Forge, Reliance Group and many others. [Read More](#)

**Contact for Demo –** [esgdata@sesgovernance.com](mailto:esgdata@sesgovernance.com)

#### SES AIMS:

Designed primarily for Institutional Investors to carry out their stewardship activities in an efficient manner.

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#### Proxy Advisory:

Advises Investors on the matters that require shareholder approval at Listed Entities and identify Governance Issues.

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#### ESG Scores:

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors.

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#### Corporate Governance Score (CGS):

CGS model measures the Company's compliance and also evaluates the Governance Practices with respect To Global Benchmarks. [Read More](#)

#### E-Ballot:

A web-based, one-stop vote management system to cater to the requirements of Institutional Investors.

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## Proxy Advisory Report (Addendum)

# Infosys Ltd

#### COMPANY INFORMATION

**BSE CODE:** 500209

**NSE SYMBOL:** INFY

**ISIN:** INE009A01021

**Industry:** Computers - Software & Consulting

**Email:** [investors@infosys.com](mailto:investors@infosys.com)

**Phone:** +91 80 2852 0261

**Registered Office:** Electronics City, Hosur Road, Bengaluru, Karnataka 560 100.

#### MEETING DETAILS

**Meeting Type:** AGM

**Meeting Date:** 23<sup>rd</sup> June, 2026 at 04:00 PM

**Venue / Mode of Meeting:** Video Conference (VC) or Other Audio-Visual Means (OAVM)

**Notice Date:** 28<sup>th</sup> May, 2026

**Notice:** [Click here](#)

**Annual Report:** [FY 2025-26](#)

**SES PA Report (Last AGM):** [Report](#)

#### E-VOTING DETAILS

**e-Voting Platform:** [NSDL](#)

**Cut-off Date:** 16<sup>th</sup> June, 2026

**Remote E-voting:**

- **Start:** 18<sup>th</sup> June, 2026
- **Ends:** 22<sup>nd</sup> June, 2026

**ADDENDUM REPORT RELEASE DATE:** 13<sup>th</sup> June, 2026

**Research Analyst:** Vinod Kalbi

**Conflict Disclosure:** SES - No Conflict | Analyst - No Conflict



## ADDENDUM

There is a change in the SES recommendation on Resolution #4 & #5 from 'AGAINST' to 'FOR' based on the Company's clarification and additional disclosures.

EXISTING RECOMMENDATION					
S. No	Resolution	Type	SES Observation #	Rec.	Rationale
4	Approval of the proposed amendment to the Infosys Expanded Stock Ownership Program - 2019 (Amended 2019 Plan) and grant of stock incentives to the eligible employees of the Company under the Amended 2019 Plan.	S	<b>NC   GC</b>	AGAINST	<del>Route of issue disclosed is not in compliance with Law; Discretion to vary Exercise period.</del>
5	Approval of the proposed amendment to the Infosys Expanded Stock Ownership Program - 2019 (the Amended 2019 Plan) and grant of stock incentives to the eligible employees of the Company's subsidiaries under the Amended 2019 Plan.	S	<b>NC   GC</b>	AGAINST	<del>Interlinked with Res. #4; Route of issue disclosed is not in compliance with Law; Discretion to vary Exercise period.</del>
REVISED RECOMMENDATIONS					
4	Approval of the proposed amendment to the Infosys Expanded Stock Ownership Program - 2019 (Amended 2019 Plan) and grant of stock incentives to the eligible employees of the Company under the Amended 2019 Plan.	S	<b>LC</b>	FOR	No major governance concern identified.
5	Approval of the proposed amendment to the Infosys Expanded Stock Ownership Program - 2019 (the Amended 2019 Plan) and grant of stock incentives to the eligible employees of the Company's subsidiaries under the Amended 2019 Plan.	S	<b>LC</b>	FOR	No major governance concern identified.

S - Special Resolution | Rec. - Recommendation

# LC - Legally Compliant, NC - Legally Non-Compliant, TC - Disclosures & Transparency Concern, GC - Governance Concern

### BACKGROUND

SES as per its policy, had emailed its PA Report ([weblink](#)) to the Company on 8<sup>th</sup> June, 2026 in respect of ensuing AGM of the Company.

Post release of PA Report, SES received an email from the Company on 10<sup>th</sup> June, 2026 and 12<sup>th</sup> June, 2026. The Company, through the email, has provided its view point, which is reproduced at the last in *blue text*.

It may be noted that the email of the Company dated 10<sup>th</sup> and 12<sup>th</sup> June, 2026 (as per SES policy framed to comply with SEBI Circular dated 3<sup>rd</sup> August, 2020 [SEBI/HO/IMD/DF1/CIR/P/2020/147](#)) has already been forwarded to SES clients as it is, without any inputs from SES.

This Addendum provides appropriate responses of SES, wherever required.

### SES COMMENTS TO COMPANY'S RESPONSE

#### Company's Views:

*Here is a detailed explanation of our position in respect of the concerns raised in the Report:*

#### **(A) Implementation route of the Amended ESOP Plan**



1. *As you are aware, the ESOP plan referred here is a 2019 plan and certain amendments are proposed by way of the Proposed Resolutions. At the outset, please note that the Proposed Resolutions do not entail any amendment relating to the route of implementation or administration of the earlier approved plan. The provisions in Amended ESOP Plan, in respect of the manner in which the plan is implemented and administered remains unchanged. Further, the regulatory framework governing implementation of employee stock option schemes directly and/or through a trust route, also remains materially unchanged since the approval of the original 2019 plan, i.e. the provisions of the erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014 relating to implementation of schemes directly and/or through a trust have been substantially carried forward into the now applicable SBEB Regulations. Accordingly, it may be noted that the legal framework governing the implementation of stock options scheme through a trust as well as the implementation methodology of the original plan has remained unchanged since approval of the shareholders was first obtained in 2019.*
2. *The applicable law itself contemplates distinct roles for the NRC and the Trust: It is pertinent to distinguish between: (i) the statutory and supervisory functions of the NRC under applicable laws and, (ii) the role of the Trust in implementation of the Amended ESOP Plan. These are separate and distinct functions, each arising from different regulatory requirements, and cannot be conflated.*
3. *Firstly, it may be noted that Regulation 5(3) of the SBEB Regulations specifically requires the compensation committee (i.e., the NRC) to formulate detailed terms and conditions of the scheme, including matters such as eligibility, vesting conditions, exercise conditions and other key parameters of the scheme. Accordingly, the SBEB Regulations themselves contemplate NRC's role in administration of the plan including determination of employee's eligibility, approval of grants and vesting related matters.*
4. *Additionally, the NRC has independent statutory obligations under Section 178(4)(c) of the Companies Act, 2013 and Regulation 19(4) read with Clause 6 of Paragraph A of Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"), to inter alia recommend the remuneration payable to senior management including in the form of stock-based incentives.*
5. *Accordingly, decisions relating to grant of options under the Amended ESOP Plan (including determination of eligible employees and grant size) are matters that appropriately fall within the NRC's remit. These statutory functions of the NRC cannot be assumed by, or delegated to, the Trust.*
6. *The role of the Trust in implementation of the Amended ESOP Plan is distinct: The Amended ESOP Plan also permits satisfaction of awards through both fresh issuance of shares and secondary acquisition of shares. The SBEB Regulations expressly contemplate such structures (see paragraph (I) under Part C of Schedule I) and further require that secondary acquisition of shares shall be undertaken through a trust (see Regulation 3(1)). Consequently, in accordance with the SBEB Regulations insofar as inter alia the acquisition, holding and transfer of shares acquired from the secondary market are concerned in relation to the Amended ESOP Plan, those functions will be undertaken by the Trust. It may also be noted that the Company has not, to date, utilised the secondary acquisition mechanism under the said plan. Accordingly, **the Amended ESOP Plan continues to operate as a trust-based scheme** in the manner approved by shareholders in 2019, and the structure adopted by the Company does not give rise to any non-compliance with the SBEB Regulations.*
7. *Market practice: The approach adopted by the Company is consistent with the manner in which a number of listed companies (including, [Arvind Fashions Limited](#), [Cera Sanitaryware Limited](#)) administer their employee stock option schemes involving trust-based secondary acquisitions.*

*In light of the above, the Company respectfully submits that the Amended ESOP Plan is supported by a holistic reading of the applicable legal framework. In order to provide for harmonious compliance with the SBEB Regulations and other applicable laws, various aspects involved in implementation and administration of the Amended ESOP Plan would be undertaken by the NRC or the Trust (as the case may be). Further, the NRC cannot take over the role of the Trust with respect to the secondary acquisition of the Company's shares and similarly, the Trust cannot take over the role of the NRC which is statutorily assigned to it under the applicable laws. Accordingly, the observation that the Amended ESOP Plan is being implemented through two separate routes is misconceived. Rather, the two routes complement each other and are necessary to ensure compliance with all applicable legal requirements.*

**SES Comment:** SES, in its PA report, has raised Compliance concern w.r.t. Infosys Expanded Stock Ownership Program -2019 (ESOP 2019) on account of non-compliance with SEBI (SBEB & SE) Regulations as it allows implementation and administration directly by the



Company via the NRC as well as the trust route. SES opines that the Company cannot choose to implement ESOP 2019 via both the routes, according to the Regulation, it has to choose either of the two routes.

SES acknowledges and agrees that the NRC and the Trust have different roles in the implementation of the ESOP Scheme. Further, SES also acknowledges that certain NRC functions cannot be delegated to the Trust.

However, it may be noted that SEBI SBEB & SE Regulations require specific disclosure of whether the scheme(s) is to be implemented and administered directly by the Company or through a trust. The disclosure pertains to mode of implementation of the Scheme, in terms of administration, which can either be done directly by the Company or the Trust; **not both**. It is pertinent to note that in both the modes of administration, NRC or the relevant compensation committee will be responsible for deciding matters such as eligibility, vesting conditions, exercise conditions, total options to be granted and other key parameters of the scheme.

In this regard, the Company has stated in the Notice that *“The Nomination and Remuneration Committee shall administer the Amended 2019 Plan, which to the extent of secondary acquisition and related administrative matters shall also include delegation of administration to the Infosys Expanded Stock Ownership Trust.”* Hence the disclosure given by the Company indicates that the administration function may be performed by the Company via NRC as well as the Trust, which is not envisaged under SEBI SBEB & SE Regulations.

The Company has further stated that, *“It may also be noted that the Company has not, to date, utilised the secondary acquisition mechanism under the said plan.”* In this regard, law allows fresh issue of shares by the Company as well as secondary acquisition, such that in case of Secondary acquisition, the mode of administration should be the Trust route. SES is of the view that the fact of the Company has not utilized the secondary acquisition, to date, is not relevant in the present context. Since the mode of administration i.e. direct route or trust route, has to be decided at the time of shareholders’ approval, what is material is whether ESOP Plan will be administered directly by the Company or through the trust route.

In this regard, the Company has stated that the Amended ESOP Plan continues to operate as a trust-based scheme in the manner approved by shareholders in 2019. Given the clarification by the Company, it appears that the Scheme is being implemented through the Trust route and not directly by the Company.

Further, with regard to Market Practice quoted by the Company, both Arvind Fashions Ltd (refer [Notice](#)) and Cera Sanitaryware Ltd (refer [Notice](#)) had **clearly disclosed** in their respective Notices that their ESOP Schemes will be **implemented through Trust**.

In view of additional clarification given by the Company, **the concern raised by SES stands addressed in that regard**. However, SES is of the view that the Notice should be drafted in a manner which provides clear disclosures, especially when the law mandates disclosure of specific information.

#### ***Determination of exercise period***

*The Report has raised a concern that the NRC has been granted discretion to determine the exercise period applicable to awards granted under the Amended ESOP Plan. Regulation 5(3) read with Part B of Schedule I **specifically permit the compensation committee** (i.e., the NRC) to formulate the detailed terms and conditions of employee benefit schemes, including determining the exercise period. Further, the SBEB Regulations do not require the exact exercise period applicable to each grant to be specified upfront in the scheme document. Rather, the regulatory framework contemplates that such exercise-related terms may be determined by the compensation committee while administering the scheme.*

*In any event, the Amended ESOP Plan provides an indicative exercise period and states that the vested stock options may be exercised within a period of up to 90 days, except in cases of death or permanent incapacitation of an employee, where the exercise period may extend up to 365 days. To the extent the NRC retains discretion, such discretion is limited to determining the precise exercise window for a particular grant within the framework approved by shareholders and disclosed under the Amended ESOP Plan. **Such flexibility is necessary to accommodate differences in award structures, employee categories, jurisdictions and applicable tax, regulatory and employment law considerations, particularly in the case of a global organisation with employees across multiple jurisdictions.***

*Market practice: Moreover, the approach adopted under the Amended ESOP Plan is consistent with the manner in which several listed companies have structured the exercise period provisions under their employee benefit schemes. See for instance the ESOP plans of*



*Wipro Limited, Lupin Limited and HDFC Asset Management Company Limited. The approach adopted under Amended ESOP Plan is therefore neither unusual nor inconsistent with prevailing market practice.*

*In light of the above, it is stated that the Company's approach is consistent with the regulatory framework and does not give rise to the governance concerns as erroneously indicated in the Report.*

*Please note that ESOPs are a critical tool designed to attract, retain, and motivate top-tier talent in the Company. The structure of our Amended ESOP Plan provides the necessary flexibility to drive long-term growth and create shareholder value, while adhering to the highest standards of governance. We are confident that this framework is fair, reasonable, and crucial for our long-term success, while upholding robust governance standards.*

#### **Email Dated 12<sup>th</sup> June, 2026**

*The **Company clarifies that the exercise period of up to 90 days will generally apply to all grants under the Amended ESOP Plan.** The NRC's discretion to prescribe a different exercise period is intended to be exercised only in limited and exceptional circumstances where, having regard to prevailing circumstances or events beyond reasonable control, a departure from the standard exercise period may be considered appropriate. **Any such exercise of discretion will be undertaken in a manner that is fair and equitable to employees** and will not operate to their detriment. Such discretion will be exercised in accordance with the terms of the Amended ESOP Plan and applicable law.*

**SES Comment:** SES, in its PA report, has raised Governance concern as the Administrator has the discretion to decide exercise period, which may result in situations where exercise period is not uniformly applicable to all employees. Refer page #24 of the Notice.

In the first Email, the Company has stated that SEBI SBEB & SE Regulations allows the compensation committee to determine the exercise period. In this regard, SES is of the view that while the compensation committee can decide the Exercise period, the same has to be disclosed in the explanatory statements attached to the Notice. Further, SES opines that if the intention of law was to allow the compensation committee to vary exercise period from employee-to-employee, the legal requirement to disclose 'Exercise Period' in the Notice loses its relevance. SES believes that the purpose behind the law to mandate such disclosure is to enable the employees as well as the shareholders to have information regarding the maximum period within which the vested benefits under ESOP scheme may be exercised by an employee.

Further, the Company has stated that "...Such flexibility is necessary to accommodate differences in award structures, employee categories, jurisdictions and applicable tax, regulatory and employment law considerations..." In this regard, SES is of the view that need for discretion on account of jurisdiction and regulatory constraints is not understood and more context will be required in this regard.

Furthermore, SES as a Policy does not support different exercise period on the basis of award structure and employee category, as SES believes that shares allotted upon exercise of options represent earned compensation and an ownership interest accrued by employees after satisfying vesting conditions, performance expectations and continued service requirements, post which the exercise period is a procedural timeline for availing such accrued benefit and as a fair practice, no employee should have a lesser exercise period than others.

Since via 2<sup>nd</sup> Email dated 12<sup>th</sup> July, 2026, the Company has clarified that the exercise period of up to 90 days will **generally apply** to all grants under the Amended ESOP Plan and the NRC's discretion to prescribe a different exercise period is limited and will be exercised only in exceptional circumstances, where considering prevailing conditions or events beyond the Company's reasonable control, a departure may be required. The Company has also assured that any such discretion will be exercised in a fair and equitable manner, and will not operate to the detriment of employees.

With regard to market practice, all 3 companies quoted by the Company has disclosed maximum Exercise period in the Notice and these clauses were not subject to revision as per NRC/Compensation Committee Discretion. Refer Notices: [HDFC AMC](#), [Lupin](#), [Wipro](#).

In view of the above, the concern raised by the SES stands addressed. However, SES is of the view that all the relevant information and explanations should form part of the Notice, which enables shareholders to make an informed decision.

**Since the concerns raised by SES is addressed, SES is modifying its recommendation from AGAINST to FOR on resolutions #4 & #5.**



**COMPANY'S EMAIL**

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*Hi Team,*

*Please find enclosed our response.*

*Request you to kindly look into this and do the needful. Thanks*

*Regards*

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**Email -1: [Attachment](#)**

**Email -2: [Attachment](#)**

**Disclaimer Sources**

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

**Analyst Certification**

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

**CAUTIONARY STATEMENT**

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

**Disclaimer**

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All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

**Concern terminology**

**NC – Compliance Concern:** The Company has not met statutory compliance requirements

**FC – Fairness Concern:** The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders

**GC – Governance Concern:** SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.

**TC - Disclosures & Transparency Concern:** The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

**Company Information**

Stakeholders Empowerment Services

SEBI Reg. No. INH000000016

CIN No. -

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