

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

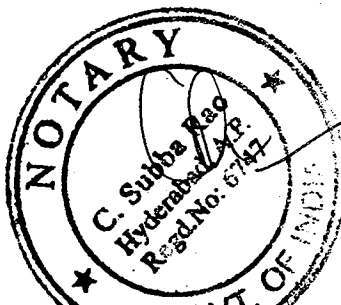
U.S. SECURITIES AND EXCHANGE COMMISSION
Plaintiff,

v.

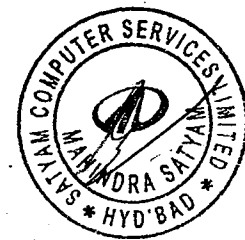
SATYAM COMPUTER SERVICES LIMITED, d/b/a
MAHINDRA SATYAM,
Defendant.

**CONSENT AND UNDERTAKING OF
DEFENDANT SATYAM COMPUTER SERVICES LIMITED**

1. Defendant Satyam Computer Services Limited, d/b/a Mahindra Satyam (Satyam), waives service of a summons and the complaint in this action, enters a general appearance, admits the Court's jurisdiction over Satyam and over the subject matter of this action, and admits that it possesses the capacity to be sued in this Court.
2. Satyam, without admitting or denying the allegations of the complaint, except as to personal and subject matter jurisdiction and capacity to be sued, which it admits, consents to the entry of the final Judgment (Final Judgment) in the form attached to this Consent and Undertaking and incorporated by reference herein, which, among other things: (1) permanently restrains and enjoins Satyam from violating Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 promulgated thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.15b-5]; (2) permanently restrains and enjoins Satyam from violating Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 13a-1, 13a-16 and 12b-20 thereunder [17 C.F.R. §§ 240.13a-1, 240.13a-16, 240.12b-20]; (3) permanently restrains and enjoins Satyam from violating Section 13(b)(2)(A) of the Exchange Act [15



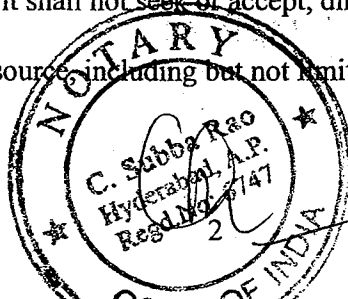
31 MAR 2011



U.S.C. § 78m(b)(2)(A)]; (4) permanently restrains and enjoins Satyam from violating Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)]; and (5) orders Satyam to pay a civil penalty in the amount of \$10 million under Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)].

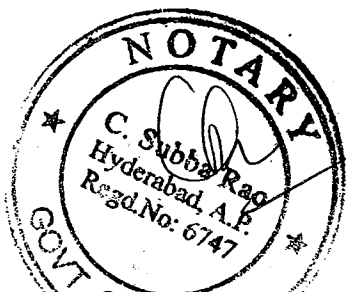
3. Satyam acknowledges that the civil penalty paid pursuant to the Final Judgment may be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, the civil penalty shall be treated as a penalty paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Satyam agrees that it shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Satyam's payment of disgorgement in this action, argue that it is entitled to, nor shall it further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Satyam's payment of a civil penalty in this action (Penalty Offset). If the court in any Related Investor Action grants such a Penalty Offset, Satyam agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this action. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Satyam by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

4. Satyam agrees that it shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any



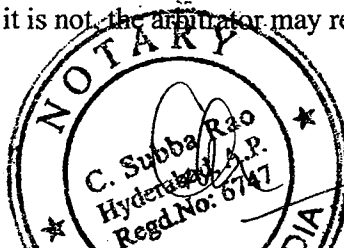
insurance policy, with regard to any civil penalty amounts that Satyam pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors. Satyam further agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any penalty amounts that Satyam pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

5. Satyam agrees and undertakes to retain, pay for, and enter into an agreement with a qualified independent consultant ("consultant") located in India to perform a review of the effectiveness of Satyam's material internal accounting control structure and policies, including those related to the creation, maintenance of, and accounting associated with invoices, as well as the effectiveness and propriety of Satyam's processes, practices and policies for ensuring the Company's financial data is accurately reported in its public financial statements filed with the Commission. Within 30 days after the retention of a consultant not unacceptable to the Commission staff, the consultant shall submit to the Commission staff a proposal which describes the scope of the work to be performed by the consultant, and includes a detailed description of the various tasks to be undertaken in the course of the consultant's review, sets forth the identities and credentials of the individuals who will perform those tasks, and provides an estimate of the number of hours expected to be devoted to the various tasks involved in the consultant's review. The consultant shall submit its report to Satyam's Board of Directors, the company's audit committee, and to the Commission staff within 120 days after approval of the proposal, provided however, that the consultant may seek to extend the period of review one additional three-month term by



requesting such an extension from the Commission staff. The Commission staff, after consultation with Satyam, shall have discretion to grant such extension for the period requested if deemed reasonable and warranted.

6. Satyam agrees that, within 90 days of the submission of the report, Satyam's Board of Directors shall report to the Commission staff with respect to the decisions and actions taken as a result of each of the recommendations made by the consultant. Satyam shall adopt all recommendations contained in the consultant's report, provided, however, that within 45 days of its receipt of the report, Satyam shall in writing advise the consultant and the Commission staff of any recommendation that it considers to be unnecessary or inappropriate. With respect to any recommendation that Satyam considers unnecessary or inappropriate, Satyam need not adopt that recommendation at that time but may propose in writing an alternative policy, procedure, or system designed to achieve the same objective or purpose as the consultant's recommendation. As to any recommendations of the consultant with respect to which Satyam and the consultant do not agree, such parties shall attempt in good faith to reach an agreement within ninety days of the issuance of the consultant's report. In the event Satyam and the consultant are unable to agree, the company may appoint an independent third party (the "arbitrator"), not unacceptable to the consultant and the Commission staff, and with relevant expertise in corporate governance in India, to resolve the disagreement. The arbitrator shall be provided with two proposals, one by Satyam, in consultation with the Board, and one by the consultant. The arbitrator shall determine whether Satyam's proposal is a reasonable means of promoting the relevant compliance with law, and if the arbitrator determines that it is, that proposal shall be adopted by Satyam. If the arbitrator determines that it is not, the arbitrator may require Satyam to adopt either the

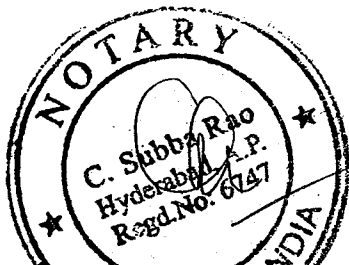


consultant's proposal or a compromise between the two proposals drafted by the arbitrator. All costs associated with the arbitration shall be borne by the Company.

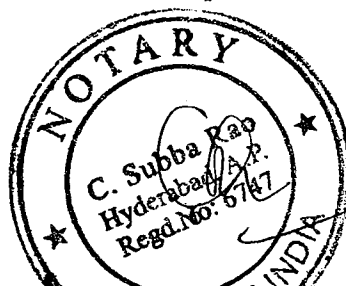
7. Satyam agrees and undertakes to select the consultant according to the procedure in this paragraph. Within 30 days after the entry of the Final Judgment, Satyam shall submit to the Commission staff a proposal setting forth the identity, qualifications, and proposed terms of retention of the consultant. The Commission staff, within thirty days of such notice, will either (a) deem Satyam's choice of consultant and proposed terms of retention not unacceptable or (b) require Satyam to propose an alternative candidate and/or revised terms of retention within 21 days. This process will continue, as necessary, until the proposed consultant and retention terms are not unacceptable to the Commission staff.

8. Satyam agrees that, for the period of engagement and for a period of two years from completion of the engagement, the consultant shall not enter into any employment, consultant, attorney-client, auditing, or other professional relationship with Satyam, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such, and shall require that any firm with which the consultant is affiliated or of which the consultant is a member, or any person engaged to assist the consultant in performance of the consultant's duties under the Final Judgment not, without prior written consent of the Commission staff, enter into any employment, consultant, attorney-client, auditing, or other professional relationship with Satyam, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

9. Satyam agrees and undertakes to provide reasonable training and education to certain of its officers and employees to minimize the possibility of future violations of the federal



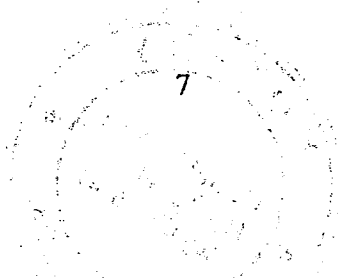
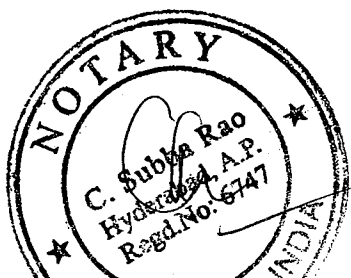
securities laws. Completion of such training shall be mandatory for: (i) all Satyam officers and employees working in Internal Audit; (ii) all other Satyam officers and employees responsible for the company's corporate level accounting, cash and cash-equivalent accounting, and other financial reporting functions including, but not limited to, those employees working in the Finance Department; (iii) officers and employees responsible for financial reporting at Satyam's major divisions and subsidiaries (including, specifically, those officers and employees responsible for closing the books within their area of responsibility at the end of a quarterly or annual reporting period); and (iv) senior operational officers at Satyam's corporate, divisional and subsidiary levels. Satyam agrees and understands that such training and education shall include, at a minimum, components covering the following subjects: the obligations imposed by the federal securities laws; proper internal accounting controls and procedures; recognizing indications of non-GAAP accounting practices or fraud most relevant to Satyam's business endeavors; and the obligations incumbent upon, and the responses expected of, Satyam officers and employees upon learning of illegal or potentially illegal acts concerning the company's accounting and financial reporting. Satyam agrees to consult with the consultant in designing its training and education program, and to submit to the consultant a detailed proposal within 60 days after retention of the consultant that describes the content and implementation of the training and education program, in a form that is acceptable to the consultant. Satyam undertakes to commence providing initial training and education sessions within 60 days after the consultant deems the program acceptable, and to continue to provide such training and education on an annual basis, for a minimum period of three years after entry of the Final Judgment.



10. Satyam has adopted and implemented, and agrees and undertakes to continue to implement, a Code of Ethical Business Conduct that establishes standards of behavior for Satyam officers and employees and further to: (a) adopt procedures designed to ensure that it is disseminated to officers and employees of Satyam; (b) conduct appropriate training programs regarding the dictates of the Code of Ethical Business Conduct; (c) review the Code of Ethical Business Conduct and update it on a regular basis as needed; (d) develop appropriate support to clarify, interpret and implement the Code of Ethical Business Conduct; (e) adopt an appropriate system of penalties to discourage and punish any violations of the Code of Ethical Business Conduct; (f) adopt appropriate procedures designed for preventing, reporting, investigating and handling any violations of the Code of Ethical Business Conduct; and (g) adopt procedures designed to verify, on a regular basis, compliance with the Code of Ethical Business Conduct.

11. Satyam agrees and undertakes to establish and maintain a company telephone hotline and website to: (a) provide a means for employees anonymously to report any potential violations of law, improper accounting or other misconduct, including violations of the Code of Ethical Business Conduct; (b) publicize within Satyam the existence and purpose of the hotline; and (c) reassure employees that no negative employment action will be taken against any employee who makes a report through the hotline.

12. Satyam has adopted and implemented, and agrees and undertakes to continue to implement, an updated charter for the Audit Committee designed to improve the independence and operating effectiveness of the internal audit function, including a provision designed to give the Audit Committee direct oversight and review of Satyam's internal audit program.



13. Satyam agrees and undertakes that Satyam shall certify in writing compliance with the undertakings set forth above (Certificate of Compliance). The Certificate of Compliance shall identify each of the above undertakings with which Satyam believes it has complied and shall provide written evidence in the form of a narrative which is supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Satyam agrees to provide such evidence. The Certificate of Compliance and supporting material shall be submitted to the appropriate Division of Enforcement designee, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the date of the completion of the undertakings. This Certificate of Compliance also shall be submitted no later than one year from the date of the Final Judgment.

14. Satyam understands and agrees that this Consent and Undertaking embodies the entire agreement by and between Satyam and the Commission relating to the settlement of this action. Satyam further understands and agrees that there are no express or implied promises, representations, or agreements between Satyam and the Commission other than those expressly set forth or referred to in this Consent and Undertaking and that nothing herein is binding upon any other agency or government, whether federal, state or local.

15. Satyam agrees that this Consent and Undertaking shall be incorporated by reference into the Final Judgment as though set forth there in full.

16. Satyam waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

17. Satyam waives any right to a jury trial and to appeal from the entry of the Final Judgment.

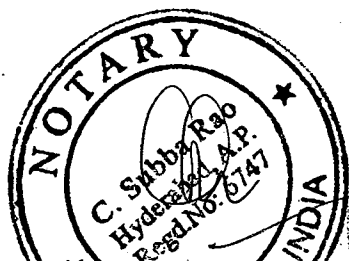


18. Satyam agrees that it will not oppose the enforcement of the Final Judgment and waives all objections upon the ground, if any exists, that the Final Judgment fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure.

19. Satyam waives any rights pursuant to the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses or costs expended by Satyam to defend against this action. For these purposes, Satyam agrees that Satyam is not the prevailing party in this action since the parties have reached a good faith settlement.

20. Satyam enters into this Consent and Undertaking freely, voluntarily, and of its own accord and represents that no threats, offers, promises, or inducements have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Satyam to enter into this Consent and Undertaking.

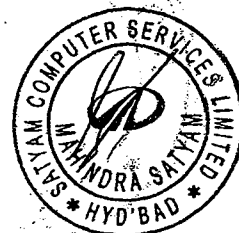
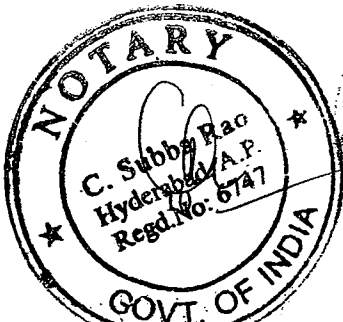
21. Consistent with 17 C.F.R. 202.5(f), this Consent and Undertaking resolves only the claims asserted against Satyam in this civil proceeding. Satyam acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Satyam waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Satyam further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-



regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based upon the entry of the injunction in this action, Satyam understands that it shall not be permitted to contest the factual allegations of the complaint in this action.

22. Satyam understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings" [17 C.F.R. § 202.5(e)]. In compliance with this policy, Satyam agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis. If Satyam breaches this agreement, the Commission may petition this Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this provision affects Satyam's: a) testimonial obligations in any matter; or b) right to take legal or factual positions in legal proceedings in which the Commission is not a party.

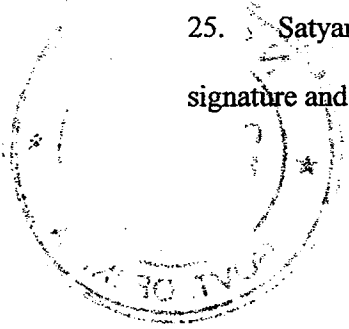
23. Satyam waives service of the Final Judgment and agrees that entry of the Final Judgment by this Court, and its filing with the Clerk of the United States District Court for the District of Columbia, shall constitute notice of the terms and conditions of the Final Judgment. Satyam further agrees to provide counsel for the Commission, within thirty days



after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Satyam has received and read a copy of the Final Judgment.

24. In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, Satyam: (a) agrees to use its reasonable best efforts to ensure that all current and former employees of Satyam appear and be interviewed and/or deposed by Commission staff as the staff requests, at a mutually convenient time and location for the parties and witnesses, upon reasonable notice; (b) will accept service by mail or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by the Commission staff; (c) appoints Satyam's undersigned attorney as agent to receive service of such notices and subpoenas; (d) with respect to such notices and subpoenas, waives the territorial limits upon service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Satyam's travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (e) consents to personal jurisdiction over Satyam in any United States District Court for purposes of enforcing any such subpoena.

25. Satyam agrees that the Commission may present the Final Judgment to this Court for signature and entry without further notice.



31 MAR 2011

26. Satyam agrees that this Court shall retain jurisdiction over this matter for all purposes, including without limitation, the implementation and enforcement of the terms of the Final Judgment.

Date: 31st March, 2011

Satyam Computer Services Limited
d/b/a Mahindra Satyam



By: [Signature]
Name: G. Jayaraman
Title: Company Secretary
Address: Mahindra Satyam Infocity, Unit - 12
Plot No. 35/36, Hi-tech City Layout
Survey No. 64, Madhapur, Hyderabad - 81
Andhra Pradesh, India
For and on behalf of Satyam Computer
Services Limited d/b/a Mahindra Satyam

On 31st March, 2011, G. Jayaraman, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent and Undertaking with full authority to do so on behalf of Satyam Computer Services Limited d/b/a Mahindra Satyam as its Company Secretary.

My Commission Valid
upto 15 SEP 2013

Notary Public
Commission expires:

Approved as to form:

Lawrence A West
Lawrence A. West
LATHAM & WATKINS LLP
555 Eleventh Street, N.W.
Washington, DC 20004-1304

ATTESTED
[Signature]
C. Subba Rao, B.Com., U.A.
Advocate & Notary
Appd. by Govt. of India
Regd. No. 6747, Hyd.
Phone: 9391170066



31 MAR 2011

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Satyam, its agents, accountants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and are hereby permanently restrained and enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security by:

- (a) employing any device, scheme or artifice to defraud,
- (b) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or
- (c) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam, its agents, accountants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and are hereby permanently restrained and enjoined from violating Section 13(a) of the Securities Exchange Act of 1934 [15 U.S.C. § 78m(a)] and Rules 13a-1, 13a-16 and 12b-20 thereunder [17 C.F.R. §§ 240.13a-1, 240.13a-16, 240.12b-20], by:

(a) failing to file with the Commission factually accurate and complete annual and quarterly reports as required pursuant to Section 13(a) of the Securities Exchange Act of 1934, and Rules 13a-1, 13a-16, and 12b-20 promulgated thereunder; or by

(b) omitting to state, or causing another person to omit to state, in addition to the information expressly required to be included in such annual and quarterly reports, any such further material information as may be necessary to make the required statements, in light of the circumstances under which such statements are made, not misleading.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam, its agents, accountants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and are hereby permanently restrained and enjoined from violating Section 13(b)(2)(A) of the Securities Exchange Act of 1934 [15 U.S.C. § 78m(b)(2)(A)] by failing to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Satyam.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam, its agents, accountants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and are hereby permanently restrained and enjoined from violating Section 13(b)(2)(B) of the Securities Exchange Act of 1934 [15 U.S.C. § 78m(b)(2)(B)] by failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances

that:

(a) transactions are executed in accordance with management's general or specific authorization;

(b) transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (2) to maintain accountability for assets;

(c) access to assets is permitted only in accordance with management's general or specific authorization; and

(d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam is liable for a civil penalty in the amount of \$10 million pursuant to the provision of Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]. Satyam shall satisfy this obligation by paying the \$10 million in civil money penalty within 14 days after entry of this Final Judgment to the Clerk of this Court, together with a cover letter identifying Satyam Computer Services Limited as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Satyam shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Satyam relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Satyam. Satyam shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS") or any other type of interest bearing account that is utilized by the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States.

The Commission may by motion propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Satyam shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Satyam's payment of disgorgement in this action, argue that it is entitled to, nor shall it further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Satyam's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the

Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Satyam by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam shall retain, pay for, and enter into an agreement with a qualified independent consultant ("consultant") located in India to perform a review of the effectiveness of Satyam's material internal accounting control structure and policies, including those related to the creation, maintenance of, and accounting associated with invoices, as well as the effectiveness and propriety of Satyam's processes, practices and policies for ensuring the Satyam's financial data is accurately reported in its public financial statements filed with the Commission. Within 30 days after the retention of a consultant not unacceptable to the Commission staff, the consultant shall submit to the Commission staff a proposal which describes the scope of the work to be performed by the consultant, and includes a detailed description of the various tasks to be undertaken in the course of the consultant's review, sets forth the identities and credentials of the individuals who will perform those tasks, and provides an estimate of the number of hours expected to be devoted to the various tasks involved in the consultant's review. The consultant shall submit its report to Satyam's Board of Directors, the company's audit committee, and to the Commission staff within 120 days after approval of the proposal, provided however, that the consultant may seek to extend the period of review one additional three-month term by

requesting such an extension from the Commission staff. The Commission staff, after consultation with Satyam, shall have discretion to grant such extension for the period requested if deemed reasonable and warranted.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam, through its Board of Directors, shall report to the Commission staff with respect to the decisions and actions taken as a result of each of the recommendations made by the consultant within 90 days of the consultant's submission of his or her report. Satyam shall adopt all recommendations contained in the consultant's report, provided, however, that within 45 days of its receipt of the report, Satyam shall in writing advise the consultant and the Commission staff of any recommendation that it considers to be unnecessary or inappropriate. With respect to any recommendation that Satyam considers unnecessary or inappropriate, Satyam need not adopt that recommendation at that time but may propose in writing an alternative policy, procedure, or system designed to achieve the same objective or purpose as the consultant's recommendation. As to any recommendations of the consultant with respect to which Satyam and the consultant do not agree, such parties shall attempt in good faith to reach an agreement within ninety days of the issuance of the consultant's report. In the event Satyam and the consultant are unable to agree, the company may appoint an independent third party (the "arbitrator"), not unacceptable to the consultant and the Commission staff, and with relevant expertise in corporate governance in India, to resolve the disagreement. The arbitrator shall be provided with two proposals, one by Satyam, in consultation with the Board, and one by the consultant. The arbitrator shall determine whether Satyam's proposal is a reasonable means of promoting the relevant compliance with

law, and if the arbitrator determines that it is, that proposal shall be adopted by Satyam. If the arbitrator determines that it is not, the arbitrator may require Satyam to adopt either the consultant's proposal or a compromise between the two proposals drafted by the arbitrator. Satyam shall bear all costs associated with the arbitration.

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam shall select the consultant according to the procedure in this paragraph. Within 30 days after the entry of the Final Judgment, Satyam shall submit to the Commission staff a proposal setting forth the identity, qualifications, and proposed terms of retention of the consultant. The Commission staff, within thirty days of such notice, will either (a) deem Satyam's choice of consultant and proposed terms of retention not unacceptable or (b) require Satyam to propose an alternative candidate and/or revised terms of retention within 21 days. This process will continue, as necessary, until the proposed consultant and retention terms are not unacceptable to the Commission staff. Satyam agrees that, for the period of engagement and for a period of two years from completion of the engagement, the consultant shall not enter into any employment, consultant, attorney-client, auditing, or other professional relationship with Satyam, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such, and shall require that any firm with which the consultant is affiliated or of which the consultant is a member, or any person engaged to assist the consultant in performance of the consultant's duties under the Final Judgment not, without prior written consent of the Commission staff, enter into any employment, consultant, attorney-client, auditing, or other professional relationship with Satyam, or any of its present or former affiliates, directors,

officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam shall provide reasonable training and education to certain of its officers and employees to minimize the possibility of future violations of the federal securities laws. Completion of such training shall be mandatory for: (i) all Satyam officers and employees working in Internal Audit; (ii) all other Satyam officers and employees responsible for the company's corporate level accounting, cash and cash-equivalent accounting, and other financial reporting functions including, but not limited to, those employees working in the Finance Department; (iii) officers and employees responsible for financial reporting at Satyam's major divisions and subsidiaries (including, specifically, those officers and employees responsible for closing the books within their area of responsibility at the end of a quarterly or annual reporting period); and (iv) senior operational officers at Satyam's corporate, divisional and subsidiary levels. Such training and education shall include, at a minimum, components covering the following subjects: the obligations imposed by the federal securities laws; proper internal accounting controls and procedures; recognizing indications of non-GAAP accounting practices or fraud most relevant to Satyam's business endeavors; and the obligations incumbent upon, and the responses expected of, Satyam officers and employees upon learning of illegal or potentially illegal acts concerning the company's accounting and financial reporting. Satyam shall consult with the consultant in designing its training and education program, and to submit to the consultant a detailed proposal within 60 days after retention of the consultant that describes the content and implementation of

the training and education program, in a form that is acceptable to the consultant. Satyam shall commence providing initial training and education sessions within 60 days after the consultant deems the program acceptable, and to continue to provide such training and education on an annual basis, for a minimum period of three years after entry of the Final Judgment.

X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam shall adopt and implement a Code of Ethical Business Conduct which will establish standards of behavior for Satyam officers and employees and further to: (a) adopt procedures designed to ensure that it is disseminated to officers and employees of Satyam; (b) conduct appropriate training programs regarding the dictates of the Code of Ethical Business Conduct; (c) review the Code of Ethical Business Conduct and update it on a regular basis as needed; (d) develop appropriate support to clarify, interpret and implement the Code of Ethical Business Conduct; (e) adopt an appropriate system of penalties to discourage and punish any violations of the Code of Ethical Business Conduct; (f) adopt appropriate procedures designed for preventing, reporting, investigating and handling any violations of the Code of Ethical Business Conduct; and (g) adopt procedures designed to verify, on a regular basis, compliance with the Code of Ethical Business Conduct.

XI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam shall establish and maintain a company telephone hotline and website to: (a) provide a means for employees anonymously to report any potential violations of law, improper accounting or other misconduct, including violations of the Code of Ethical Business Conduct; (b) publicize within

Satyam the existence and purpose of the hotline; and (c) reassure employees that no negative employment action will be taken against any employee who makes a report through the hotline.

XII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam shall adopt and implement an updated charter for the Audit Committee designed to improve the independence and operating effectiveness of the internal audit function, including a provision designed to give the Audit Committee direct oversight and review of Satyam's internal audit program.

XIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam shall certify in writing compliance with the undertakings set forth above (Certificate of Compliance). The Certificate of Compliance shall identify each of the above undertakings with which Satyam believes it has complied and shall provide written evidence in the form of a narrative which is supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Satyam agrees to provide such evidence. The Certificate of Compliance and supporting material shall be submitted to the appropriate Division of Enforcement designee, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the date of the completion of the undertakings. This Certificate of Compliance also shall be submitted no later than one year from the date of the Final Judgment.

XIV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent of

Satyam filed herein shall be, and the same hereby is, incorporated in this Final Judgment by reference with the same force and effect as if fully set forth herein and that Satyam, its agents, accountants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, shall comply in all respects with the terms of the Consent.

XV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this action for all purposes, including, without limitation, the implementation and enforcement of the terms of this Final Judgment.

XVI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that there being no just reason for delay, the Clerk of the Court is ordered to enter this Final Judgment.

UNITED STATES DISTRICT JUDGE

DATED: _____

Washington, D.C.

Copies to:

Jan M. Folena, Esquire
Assistant Chief Litigation Counsel
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549
(202) 551-4738 (telephone)
(202) 772-9245 (facsimile)

Lawrence A. West, Esquire
LATHAM & WATKINS LLP
555 Eleventh Street, N.W.
Washington, DC 20004-1304
(202) 637-2135 (telephone)
(202) 637-2201 (facsimile)