

# **HCL TECHNOLOGIES LIMITED**

## **Remuneration Policy for Directors, Key Managerial personnel and other employees**

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**Effective Date : July 29 - 31, 2014**

**Amended Date : January 17-18, 2016**

## **(I) Scope of the Policy**

The remuneration policy (“Policy”) applies to the Directors, Key Managerial personnel and other employees of HCL Technologies Limited. (“Company”) and its subsidiaries.

## **(II) Background**

A transparent, fair and reasonable process for determining the appropriate remuneration at all career levels and roles as prevalent in the Company is required to ensure that the Shareholders remain informed and confident in the management of the Company.

## **(III) Objective**

The objectives of this policy are:

- a) To create a transparent system of determining the appropriate level of remuneration throughout all career levels and roles of the Company
- b) Motivate the directors, Key Managerial personnel and other employees, to perform to their maximum potential
- c) To reward performance and meritocracy, based on review of achievements on a regular basis and is in consonance and benchmarked with the existing industry practices.
- d) Allow the Company to compete in each relevant employment market;
- e) Provide consistency in remuneration and benefits throughout the Company
- f) Align the performance of the business with the performance of key individuals and teams within the Company.

## **(IV) Remuneration Policy for Directors**

### **(a) Executive Directors**

The remuneration of the Executive Directors will be recommended by the Nomination and Remuneration Committee (Committee) to the Board of Directors (Board) and after approval by the Board the same will be put up for the shareholder’s approval.

### **(b) Non-Executive Directors:**

Non-Executive Directors will be paid commission as approved by the Board within the limits approved by the shareholders of the Company. The amount of such commission, taken together for all Non-Executive Directors, will not exceed 1% of the net profits of the Company in a financial year calculated as per the requirements of Section 198 of the Companies Act 2013 (Act). The said commission shall be decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on

their evaluation, and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings.

The Company shall reimburse the travelling, hotel and other out-of-pocket expenses incurred by the Directors for attending the meetings and for other work on behalf of the Company.

#### **(V) Remuneration Policy for Key Managerial Personnel and other employees**

The Company's remuneration policy of Key Managerial Personnel (other than Executive Directors covered above) and other employees is driven by their success and performance of the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, performance based variable pay, benefits and perquisites and long term cash incentive plans, equity based reward plans. Individual performance pay is determined by business performance and the performance of the individuals measured through periodic appraisal process. The Company will ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate all employees to contribute to their potential and in turn run the company successfully.

The Company may consider on case to case basis for granting the personal loan to the employees on a specific request by the employees.

#### **(VI) Disclosure**

The policy shall be disclosed in the Board Report, Annual Report, website and such other places as may be required by the Act and rules framed thereunder, Equity Listing Agreement entered into with the stock exchanges (including any statutory modification(s) or re-enactment thereof) and such other laws for the time being in force.

#### **(VII) Implementation**

This Policy has been approved and adopted by the Board of the Company after the recommendation of the Committee of the Company. Any revisions to the Policy will be submitted to the Board for consideration and approval upon recommendation by the Committee.