

## **LETTER OF APPOINTMENT AS AN INDEPENDENT DIRECTOR**

Dear [ ● ],

We are pleased to inform you that the Board of Directors (“**Board**”) of the Company has appointed you as an Additional Director (in the category of Non-Executive Independent Director) w.e.f. [ ● ]. This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

### **1 Term of Appointment**

You have been appointed by the Board of Directors of the Company at its meeting held on [ ● ] on the recommendation of Nomination and Remuneration Committee, as an Additional Director to hold office as an Non-Executive Independent Director with effect from [ ● ]. Your appointment as an Independent Director for a period of five years w.e.f. [ ● ] is subject to the approval of the shareholders of the Company which shall be taken on or before [ ● ].

### **2 Board Committees**

As advised by the Board, during the tenure of your office as an Independent Director, you may be required to serve on one or more of the committees of the Board. Upon your appointment to any one or more committees, you will be provided with the committee charter setting out the functions of that committee.

### **3 Role, functions and responsibilities**

Your role, functions and responsibilities as an Independent Director are to the Company and, like all other directors, you should always act in the best interests of the Company, exercising your independent judgement on all matters. As an Independent Director, you will have the same general legal responsibilities to the Company as any other director. However, please note that the Board is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs.

In our view, the role, functions, and responsibilities of an Independent Director involve a number of key elements and we look forward to your contribution and adherence thereto. You are expected to fulfil your role, functions and responsibilities in a professional, Independent and faithful manner which will promote confidence of the investment community, particularly minority shareholders and regulators in the institution of Independent Directors and shall, *inter-alia*, include the following (as specified in Schedule IV to the Act):

- You shall help constructively in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.

- You shall bring an objective and unbiased view in the evaluation of the performance of Board and management.
- You shall scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- You shall safeguard the interests of all stakeholders, particularly the minority shareholders, and also balance the conflicting interest of the stakeholders.
- You shall assist the Company in implementing the best corporate governance practices.
- You shall moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- We anticipate and expect a time commitment from you involving attendance at all Board meetings (the Company currently convene 4 such meetings usually each financial year - and in some cases more frequently) and general meetings (including annual general meeting) of the shareholders of the Company. You will be expected to devote appropriate preparation time ahead of each meeting. In addition, you will also be expected to attend the meetings of the committees that you are part of. If you are unable to attend a meeting in person, you shall make endeavour to attend the same by videoconference in accordance with the Applicable Laws. By accepting this letter, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role. We would be grateful if, upon accepting additional commitments that might affect the time you are able to devote to your role as an Independent Director of the Company, you would intimate us about the same including the number of public companies in which you serve as an Independent Director at any point of time.
- In addition, the Company will make available and / or conduct training sessions from time to time in understanding the business model of the Company as well as the risk profile of the business parameters of the Company. You are also expected to keep yourself well informed about the Company and the external environment in which it operates. The Company will also be conducting a training programme for all the directors to ensure they understand their responsibilities as directors the best ways to discharge them and the basis for understanding financial statements and related documents. We request your kind participation.
- You, along with other Independent Directors of the Company, shall hold at least one meeting every financial year, without the attendance of non-independent Directors and members of management, to, *inter-alia*, (i) review the performance of non- independent Directors and the Board as a whole; (ii) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; (iii) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

- You shall review minutes of Board meetings and committee meetings (in which you shall act as a member) in order to ensure proper recording of proceedings taken place in the meetings. Further in case you have concerns about carrying out the affairs of the Company, you shall ensure the same are addressed by the Board and, to the extent that they are not resolved, secure their recording in the minutes. You shall be presumed to have had no such concerns in case you don't secure their recording in the minutes.
- You shall make all statutory disclosures required under the Applicable Laws to the Company (in particular disclosure of interest with respect to matters specified under section 184 of the Act and certificate/declaration of independence and a declaration that you are not debarred or disqualified by SEBI/ Ministry of Corporate Affairs or any other statutory authority from being appointed or continuing as director.

#### **4 Duties (As per section 166 of the Act)**

As a director, you shall stand in an utmost fiduciary relationship with the Company and may be held liable in case of breach of such fiduciary duty. Without prejudice to the generality of the above and subject to the Applicable Laws, you:

- shall act in accordance with the Articles of Association of the Company;
- shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment;
- shall exercise due and reasonable care, skill and diligence and independent judgement in performing your role and functions;
- shall not involve in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relative(s), partner(s), or associate(s) and if you are found guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the Company;
- shall not assign your office and any assignment if made shall be void;
- The contravention of the provision of this section shall make you liable or punishable with fine as mentioned in said section.

## 5 Code of Conduct

Without prejudice the aforesaid role, functions, responsibilities, and duties, you shall, during your continuation with the Company as an Independent Director, comply with Company's combined codes of conduct, comprising the following:

- Code of conduct as provided under Schedule IV to the Act including its amendment(s), if any, from time to time. For your ease of reference, the said code of conduct has also been annexed to this letter and marked as **Annexure - A**. For the removal of doubts, it is clarified that in case of any future amendment(s) to Schedule IV to the Act, Annexure - A shall automatically stand amended in the same manner and to the same extent. Accordingly, you shall comply with such amended code of conduct, as and when applicable.
- Company's code of conduct for its Board members and senior management, as amended from time to time. A copy of such code of conduct has also been annexed to this letter and marked as **Annexure - B**.
- The Company's Code of Conduct on Prohibition of Insider Trading in the securities of the Company. A copy of such code of conduct has also been annexed to this letter and marked as **Annexure - C**.
- The whistle blower policy of the Company. A copy of such code of conduct has also been annexed to this letter and marked as **Annexure - D**; and
- Any other code, mechanism, directive or policy that may be framed by the Company from time to time.

## 6 Remuneration and fees

As an Independent Director, subject to the Applicable Laws and necessary approval(s), if any required, you will be paid a sitting fees per meeting of the Board and committees of the Board, as decided by the Board of Directors from time to time.

At the end of the financial year you will be paid commission as may be approved by the Board at the time of the approval of the annual financial statements of the Company. The said commission is limited to the limits as provided under the Act.

(Currently, the limit under the Act is 1% of the net profits of the company calculated as per the provisions of the Act for all non-executive directors of the Company, and subject to necessary approvals as may be required under the Act).

The payment of aforesaid fees and commission shall be made after deduction of appropriate taxes as per the law for the time being in force.

In addition to the fees and commission mentioned above, the Company will reimburse you for all the properly documented expenses you incur for participation in the Board and other committee meetings and also for official work of the Company. You should submit any details of expenses incurred to the Company Secretary of the Company.

## **7 Resignation and Termination**

You may resign from your office by giving a written notice of 3 months addressed to the Company. Such resignation shall be effective from the date as may be specified in the notice. Such notice of 3 months can be reduced on mutual consent.

The Company may terminate this arrangement by giving a written notice of 3 months to you.

Upon such termination or resignation for any reason, you shall not be entitled to any damages for loss of office and no compensation will be payable to you in respect of any unexpired portion of the term of the appointment and shall not contest the termination or removal at any general meeting of the Company or seek any other legal recourse under the Applicable Laws. However, such resignation in any of the above cases, would not absolve you of any liability under Applicable Laws for the offences which had occurred during your tenure as an Independent Director. Upon the said resignation from directorship, your entitlement to remuneration due but not paid for the relevant year shall be paid on a proportionate/ pro-rata basis.

The above is subject to the provisions of the Applicable Laws for resignation and termination of directors.

## **8 Competitive Businesses**

During the tenure as an Independent Director of the Company you will not, without the consent of the Board, which shall not be withheld unreasonably, be engaged or interested in any capacity in any business or with any company which is, in the reasonable opinion of the Board, competitive with the business of the Company or any of its affiliates. In the event that you become aware of any potential conflicts of interest, these should be disclosed to the chairperson of the Board and to the company secretary of the Company as soon as possible.

## **9 Confidentiality**

You will not make use of, divulge or communicate to any person (except in the proper performance of your duties) any of the trade secrets or other confidential information of or relating to the Company which you have received or obtained from or through the Company. This restriction shall continue to apply for a period of 1 year after the cessation/ termination of your appointment but shall cease to apply to information or knowledge which comes into the public domain otherwise than through your default or which shall have been received by you from a third party entitled to disclose the same to you.

Your attention is also drawn to the requirements under Applicable Laws as to the disclosure of inside information. Consequently, you should avoid making any statements that might risk a breach of these requirements without prior clearance from the chairperson or from the company secretary of the Company. Please note that all media enquiries concerning the Company must be referred immediately to the chairperson or company secretary of the Company.

## **10 Illness or Incapacity**

If you are prevented by illness or incapacity from carrying out your duties for a period exceeding 6 consecutive calendar months or if you become prohibited by law or under the Articles of the Company from being an Independent Director of the Company, then the Company may terminate your appointment immediately.

## **11 Return of Company Property**

You agree that upon cessation/ termination of your appointment as an Independent Director, you will immediately deliver to the Company all property belonging to the Company or any member of its Group, including all documents or other records made or compiled or acquired by you during your appointment concerning the business, finances or affairs of the Company.

## **12 Insurance**

Subject to Applicable Laws and the terms of the Articles, the Company has taken a Directors & Officers Liability insurance policy for its Directors, and you may be reimbursed for any cost incurred by you in your capacity as a director of the Company for, defending any proceedings, whether civil or criminal; -

- i. in which judgment has been given in your favour by a competent court and thereby shown to such court that your act or conduct was *bona fide* or justified in the circumstances; or
- ii. in which you are acquitted or discharged; or
- iii. in connection with any application filed by you seeking any relief, the same has been granted to you by a competent court.

## **13 Review Process**

The Board will carry out an evaluation of your performance, on an annual basis, as per the Applicable Laws.

## **14 Contract for Services**

It is agreed that you will not be an employee of the Company or any of its subsidiaries and that this letter shall not constitute a contract of employment.

In this letter:

“**Act**” mean the Companies Act, 2013, as amended/substituted from time to time

<b>“Applicable Laws”</b>	mean the Companies Act, 2013, as amended/substituted from time to time, the Securities & Exchange Board of India Act, 1992 as amended from time to time, the Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws from time to time.  For removal of any doubts, it is hereby clarified that in case of any conflict between the terms of this letter and the provisions under Applicable Laws, the Applicable Laws will prevail.
<b>“Board”</b>	means the board of directors of the Company from time to time or any person or committee nominated by the board of directors as its representative or to whom (and to that extent) it has delegated powers for the purposes of this letter.
<b>Company / HCL Technologies Limited</b>	means a company incorporated under the provisions of the Companies Act, 1956 on November 11, 1991, having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi-110019.
<b>Independent Director</b>	means a director referred to in sub-section (6) of section 149 of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements), 2015.
<b>Nomination and Remuneration Committee</b>	means a committee of the Board as referred to in section 178 of the Act.

This letter shall be governed by and construed in accordance with the laws of India. Both parties submit to the exclusive jurisdiction of the Courts in Delhi, India as regards any claim or matter arising in connection with the terms of this letter. The Company has a right to change the terms of this letter from time to time in accordance with the Applicable Laws.

Please acknowledge receipt and acceptance of the terms of this letter by signing and returning the enclosed copy.

We are greatly looking forward to working with you.

Kind regards.

Yours sincerely,

For **HCL Technologies Limited**

*I acknowledge this letter and accept the said appointment.*

[•]  
**Chairperson**

[•]  
**Director**

Date: [•]

## Annexure - A

### **Schedule IV to the Companies Act, 2013 [See section 149(8)]**

#### **CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

#### **I. Guidelines of professional conduct:**

An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the company in implementing the best corporate governance practices.

#### **II. Role and functions:**

The independent directors shall:

- 1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;



- 7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **III. Duties:**

The independent directors shall—

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the company;
- 6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 7) keep themselves well informed about the company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- 10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) acting within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

### **IV. Manner of appointment:**

- 1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

- 3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- 4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:
  - (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- 6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### **V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

#### **VI. Resignation or removal:**

- 1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- 3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

## **VII. Separate meetings:**

- 1) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- 2) All the independent directors of the company shall strive to be present at such meeting;
- 3) The meeting shall:
  - (a) review the performance of non-independent directors and the Board as a whole;
  - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## **VIII. Evaluation mechanism:**

- 1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- 2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

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