



## Hinduja Global Solutions Limited REMUNERATION POLICY

### 1. Objective

The objective of Hinduja Global Solutions Limited's (HGS) Remuneration Policy is to attract, motivate and retain qualified and expert individuals that the Company needs and to ensure that they performed effectively in order to achieve its strategic and operational objectives.

### 2. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("Committee") is responsible for formulating and making the necessary amendments to the Remuneration Policy for the Directors, Chief Executive Officer (CEO), Key Managerial Personnel (KMP) Direct Reports of Chief Executive Officer and Senior Executives of HGS from time to time.

### 3. Remuneration of Non-Executive Directors (NEDs)

Non-Executive Directors ("NED") are presently remunerated by way of Sitting Fee for each meeting of the Board/ Committees of the Board attended by them. NED's shall be reimbursed out of pocket expenses incurred by them for the purpose of the Company. Additionally, the NEDs may be eligible for commission as permissible under the relevant laws.

### 4. Remuneration of Chief Executive Officer (CEO), Key Managerial Personnel (KMP), Direct Reports of Chief Executive Officer and Senior Executives

The following elements are taken into consideration for determining the Remuneration of CEO, KMP, Direct Reports of Chief Executive Officer and Senior Executives:

- The remuneration policy reflects a balance between the interests of HGS's main stakeholders as well as between the Company's short-term and long-term strategy. As a result, the structure of the remuneration package for the NEDs, CEO, KMP, Direct Reports of Chief Executive Officer and Senior Executives is designed to balance short-term operational performance with the medium and long-term objective of creating sustainable value within the Company, while taking into account the interests of its stakeholders.
- To ensure that highly skilled and qualified CEO/ KMP/ Direct Reports of Chief Executive Officer/Senior Executives can be attracted and retained, HGS aims for a total remuneration level that is comparable to levels provided by other companies that are similar to HGS in terms of size, complexity and growth aspirations.

- In designing and setting the levels of remuneration for the NEDs, CEO, KMP, Direct Reports of Chief Executive Officer and Senior Executives, the Committee also takes into account the relevant statutory provisions and provisions of the corporate governance regulations, societal and market trends and the interests of stakeholders.
- HGS policy is to offer the CEO, KMP, Direct Reports of Chief Executive Officer and Senior Executives a total compensation comparable to the peer group as well competitive with the market to attract key lateral talent.

### **Total Compensation**

The total compensation of the CEO, KMP, Direct Reports of Chief Executive Officer and Senior Executives consists of the following components:

1. Base salary/ Annual Base salary
2. Variable Compensation –
  - Annual Performance Incentive (API)
  - Performance Linked Wealth Creation and Retention Plans

### **Base salary/ Annual Base Salary**

On joining the Company, the CEO, KMP, Direct Reports of Chief Executive Officer and Senior Executives shall receive a base salary comparable to the peer group. Every year, base salary levels are /shall be reviewed by the Committee.

### **Variable Compensation**

The variable compensation shall form part of total remuneration and consists of API and other Long Term Wealth Creation and Retention Plan. The distribution between these components for (on target) performance aims to achieve a proper balance between short-term result and long-term value creation. The parameters relating to the various elements of the variable compensation part of the total remuneration are established and where necessary adjusted by and at the discretion of the Committee, taking into account the general rules and principles of the remuneration policy itself.

The targets are/ shall be determined each year by the Committee in consultation with the CEO, and respective KMP/ Direct Reports of Chief Executive Officer / Senior Executive, based on historical performance, the operational and strategic outlook of the Company in the short term and expectations of the Company's management and stakeholders, among other things. The targets contribute to the realization of the objective of long-term value creation.

It is one of the long term objectives to have variable compensation as per industry standards and changing market requirements.

## **5. Remuneration of other Employees**

Remuneration of other senior, middle and junior managerial employees of the Company consists of Base Salary /Annual Base Salary and Annual Performance Pay for certain defined grades at the level of Assistant General Manager and higher, with certain exceptions for role specific positions or candidates, duly approved by the Hiring Manager and the Recruitment Head and is reviewed on an annual basis. Increase in the remuneration of employees is implemented based on an annual review taking into account performance of the employee and the performance of the Company also. These are also benchmarked regularly with the peer group and external market.

## **6. Long Term Wealth Creation and Retention Plans**

HGS uses Employees Stock Options as one of the tools to attract, reward and retain the leadership and key employees. However, the Company may use additional or new instruments and or plans as approved by the NRC and the Board to serve the purpose of attracting and retaining key talent who would get rewarded based on overall business performance.

## **7. Alignment of Remuneration**

The Committee shall strive to achieve that the remuneration of the CEO, KMP, Direct Reports of Chief Executive Officer, Senior Executives, Middle and Junior level employees of HGS are aligned to each other.

## **8. Term of Appointment**

Term of CEO may be for a period of 5 (Five) years or such term approved by Shareholders and shall be reviewed for renewal as may be necessary subject to such approvals as required. The term of the other employees, generally is upto the age of superannuation. However, HGS depending upon the need and circumstances may extend the services of certain employees or engage superannuated employees.

## **9. Post Retirement Benefits**

CEO and all permanent employees are entitled for retirement benefits such as provident fund and gratuity or other benefits as permissible under law /as per policy of the HGS.

## **10. Severance Arrangements**

Contracts of employment with CEO and permanent employees provide for compensation based on employees' contractual terms and the grades of employees.

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