

**HCL CORPORATION PRIVATE LIMITED**

**NOMINATION POLICY**

**(Approved by the board of directors at its meeting held on May 10, 2016 & reviewed on 15<sup>th</sup> March, 2022, 20<sup>th</sup> March, 2023 and 28<sup>th</sup> September, 2023)**

NBFCs shall form a Nomination Committee to ensure 'fit and proper' status of existing/proposed directors. The Nomination Committee shall have the same powers, functions and duties as laid down in Section 178 of the Companies Act, 2013.

**Objectives**

The objectives of the Policy are as follows:

- To set criteria for determining qualifications, positive attributes and independence of a director, and remuneration of the Executives.
- To enable the Company to attract, retain and motivate highly qualified members for the Board and other executive level to run the Company successfully.
- To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
- To ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for performance" principle.
- To ensure that remuneration to directors, KMP and senior management employees of the Company involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

**Terms of Reference and Role of the Committee**

The Terms of Reference and Role of the Committee as set by the Board of Directors are as under:

- Evaluate the current composition and organization of the Board and its committees in light of requirements established by any Regulatory Body or any other applicable statute, rule or regulation which the Committee deems relevant and to make recommendations to the Board with respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company;
- Review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes and personal and professional backgrounds for service as a Director of the Company, as determined by the Committee;
- Review and recommend to the Board an appropriate course of action upon the resignation of current Board members, or any planned expansion of the Board, and review the qualifications, experience and fitness for service on the Board of any potential new members of the Board;
- Ensure “fit and proper” status of existing/proposed Directors of the Company in accordance with RBI Circular on Corporate Governance, issued from time to time;
- Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Ensure that remuneration to Directors, Key Managerial Personnel (KMPs) and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMPs) and other employees of the Company;
- Formulate the criteria for evaluation of Independent Directors and the Board;
- Identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

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CIN: U74120DL2008PTC183849

A 9, Sector 3, Noida, 201301, U.P, India

Tel: +91 120 3667180

Registered Office: 806, Siddhartha, 96, Nehru Place, New Delhi – 110019

[www.hcl.com](http://www.hcl.com)

- Deal with such matters as may be referred to by the Board of Directors from time to time; The Committee shall:
- Review the ongoing appropriateness and relevance of the Policy;
- Ensure that all provisions regarding disclosure of remuneration, including pensions, leave encashment, gratuity, etc. are fulfilled;
- Obtain reliable, up-to-date information about remuneration in other companies;
- Ensure that no director or executive is involved in any decisions as to their own remuneration.

The Committee shall meet at least once in a year.

The Chairperson of Nomination Committee of the Company or in his absence, any other member of the committee authorised by him in this behalf shall attend the general meetings of the company.