

# Policy on Compensation and Benefits

Control Information	
Prepared By	Geetha Mohandass
Approved By	Kothandaraman P R
Document #	HTC\POL\Comp_Ben
Version #	1.3
Release Date	29-Aug-2025
Document Classification	Protected

## Amendment Record

Version #	Description	Sec #	Release Date
1.0	Initial Document Preparation	All	18-Apr-2022
1.1	Reviewed & baselined the document	All	7-Jun-2023
1.2	Amendment to car scheme	3.2.6	30-Aug-2024
1.3	Amendment to variable pay, Provident Fund	3.2.8, 3.2.9	29-Aug-2025

## TABLE OF CONTENTS

<b>1. OBJECTIVE.....</b>	<b>4</b>
<b>2. ELIGIBILITY .....</b>	<b>4</b>
<b>3. COMPENSATION AND BENEFITS.....</b>	<b>4</b>
3.1 LEVELS:.....	4
3.2 COST TO COMPANY (CTC).....	4
3.2.1 BASIC.....	5
3.2.2 HRA .....	5
3.2.3 MEAL ALLOWANCE / COUPONS .....	5
3.2.4 LEAVE TRAVEL ALLOWANCE/ REIMBURSEMENT.....	5
3.2.5 TELEPHONE ALLOWANCE / REIMBURSEMENT .....	6
3.2.6 CAR SCHEME .....	6
3.2.7 SPECIAL ALLOWANCE.....	9
3.2.8 RETIRALS .....	9
3.2.9 VARIABLE PAY .....	10
<b>4. OTHER ANNUAL BENEFITS .....</b>	<b>11</b>
4.1 INSURANCE BENEFITS .....	11
4.1.1 GROUP MEDICAL INSURANCE (GMI) .....	11
4.1.2 Group Term Life Insurance and Group Personal Accident (GTLI & GPA) .....	12
4.2 DEDUCTIONS.....	12

## 1. Objective

To define the compensation & benefits framework as applicable for associates at HTC Global Services, India.

## 2. Eligibility

This policy is applicable to all the associates / consultants / vendor resources of HTC Global Services (India) Private Ltd. and all its affiliated companies.

## 3. Compensation and Benefits

The overall Compensation & Benefits model in HTC is a combination of cash components and benefits. This policy details out the components which are a part of the CTC. It uses an approach where flexibility is allowed wherever feasible for associates to tailor compensation elements as required.

### 3.1 LEVELS:

All associates in the organization are tagged to various career levels with its own unique set of designations. These levels will be used as the basis to understand policy eligibility.

Designations / Titles	Level
Associate Engineer / Associate Trainee / Junior Associate	L1
Engineer / Associate	L2
Senior Engineer / Senior Associate	L3
Lead - Technical / Functional / Project / Lead Associate	L4
Associate Manager	L5
Manager	L6
Senior Manager	L7
Associate Director	L8
Director	L9
Senior Director	L10
Associate Vice President	L11
Vice President	L12

### 3.2 COST TO COMPANY (CTC)

The Compensation Structure will have the following elements:

- Basic - 40% of CTC
- HRA - 50% of Basic
- Meal Allowance - Rs 24000 per annum
- Leave travel Allowance - Amount not exceeding 2% of CTC
- Telephone Allowance - Rs 36000 per annum
- Special Allowance - Balance of CTC

- Retirals - Provident Fund – 12% of basic
- Gratuity – 4.81% of basic
- Variable Pay / Statutory Bonus - As indicated in the offer / Salary Revision Letter
- Insurance (GMI, GPA, GTCLI) - As indicated in the offer / Salary Revision Letter

### 3.2.1 BASIC

Basic salary is linked to the overall CTC and is capped at 40% of CTC for all levels.

### 3.2.2 HRA

House rent allowance will be paid at 50% of the Basic pay. This allowance will be eligible for Income Tax as per the provisions of Income Tax Act/Rules. For claiming exemption, associates need to furnish PAN number of the landlord and valid rent receipt from the landlord if the rent exceeds more than Rs 1 lakh per Annum.

### 3.2.3 MEAL ALLOWANCE / COUPONS

All associates are eligible for Meal Allowance / Pluxee Meal Coupons as opted by associate. This will be Rs.2000/- per month

A **meal allowance** is a fixed component, paid as a monthly allowance to the associates and is included as a part of the CTC and necessary taxes will be applicable as per the provisions of Income Tax Act/Rules.

If an associate opts for Meal Card (Pluxee), it will continue to be paid as a non-taxable component. The associate will be provided with a personalized digital meal card

### 3.2.4 LEAVE TRAVEL ALLOWANCE/ REIMBURSEMENT

LTA is leave travel allowance meant for making tax exempt holiday once in period of two years with or without family by submitting the bills in support of your travel (domestic only).

LTA can be claimed by submitting the travel bills. Associates can claim the amount by submitting the valid Bus, Train, or Air tickets.

All HTC associates + associate's dependents are eligible for LTA once every two years in a block of 4 years.

The LTA can be claimed as tax free at the option of individual associates as below:

- Only journey fee incurred within India can be claimed as exemption
- Journey fare should be for the shortest route
- Associates will have to submit LTA bills for claiming tax exemption. For Travel by air, associates have to submit original air ticket along with the boarding pass, Travel by train – original train tickets.
- The tax exemption is available only to the extent of bill submitted and balance would be included in taxable salary income.

The associate will need to opt for LTA and the amount under this component. In case they choose to opt out then it will be paid monthly as a taxable amount

### 3.2.5 TELEPHONE ALLOWANCE / REIMBURSEMENT

All associates are eligible for reimbursement of internet + rental expenses for landline and postpaid mobile phone connections. The mobile / telephone bill must be in the associate's name. The relevant bills and invoices along with proof of payment, (only Credit Card Statement or Cheque will be accepted as proof of payment) for claiming such expenses. Associates can claim reimbursement for only one internet connection, one landline telephone and one Post-paid mobile connection.

The Telephone allowance is a fixed component, paid as a monthly allowance and is included as a part of the associate's CTC and necessary taxes will be applicable as per the provisions of Income Tax Act/Rules.

If an associate opts for Telephone reimbursement, it will continue to be paid as a non-taxable component.

The associate can submit the bills monthly/quarterly/yearly before 20<sup>th</sup> of the month via e360 to be considered for reimbursement along with the salary payout for that month.

### 3.2.6 CAR SCHEME

The Car scheme is applicable to all associates who have completed six months in the organization and is governed as per car scheme policy mentioned below:

- The car scheme will be processed by HTC Global Financial Services Private Limited, an NBFC approved by RBI, hereinafter called as 'HTCGFS'
- The apportioned monthly car scheme allowance should not cross 70% of associate's special allowance component per month.
- The company may admit eligible associates to the scheme on request by the associate and upon confirmation from the respective Delivery Directors and Human Resource. The admission into the scheme, however, is at the discretion of the management. Under this scheme, associate can opt only for one car.
- Associate shall obtain a Proforma Invoice in the name of the company, from the car dealer from whom she / he wishes to purchase the car and submit the same to the HRBP.
- On receipt of vehicle request from the associate, the company shall share the details with HTCGFS who shall procure/provide the required vehicle. Associate shall also coordinate the requisitions with 'HTCGFS'.
- Once the vehicle is finalized within the agreed monthly payout value, the associate shall be called upon to sign the agreements. The EMI, Insurance and the Petrol / Maintenance amount shall be apportioned from the Special Allowance component and moved to Car Scheme basket.

- Car perquisite value will be considered as per Income Tax Act for the purposes of tax computation of the associate.
- The associate shall sign an agreement with the company enumerating the conditions in detail and usage of the car by the associate.
- Associates have an option to choose the loan tenure between 2 to 5 years. The associate also must irrevocably agree that the loan amount / rentals may be increased by any incremental taxes or charges levied on the transaction or increase in the price of the vehicle intervening period between placement of the order and delivery of the vehicle or any time thereafter.
- HTCGFS shall fund up to 90% of the ex-showroom price, registration, road tax & accessories (recommended by the manufacturer).
- When an associate resigns, retires, or is seconded overseas, during the loan tenure, the associate must bear the unpaid value of the EMI along with the foreclosure amount that is prescribed by HTCGFS.
- In case the associate leaves the service without any notice, the unpaid value of the EMI, the foreclosure amount and other expenses as prescribed by HTCGFS shall be recovered by HTC from the associate's settlement and if there are further dues the same shall be recovered by disposing off the vehicle. Dues that are pending even after the sale of the vehicle will have to be paid by the associate. Any outstanding payable after the adjustments will be paid by the associate and failure to pay will initiate appropriate legal action for recovery by the Bank / Company as appropriate. The EMI / Rentals as defined by HTCGFS will continue to be accrued with interest till the settlement of dues.
- The associate will be responsible to keep the car in good running condition and bear the cost of spares, tubes, tiers, repairs, maintenance, painting, servicing etc., as required from time to time.
- Any event that causes any damage or loss to the vehicle or its accessories whilst thereon, including accident, theft, hit caused by fire explosion, self-ignition or lightening, burglary, riot, earthquake, flood, typhoon, hurricane, storm, tempest, inundation, cyclone, hailstorm, frost, malicious act and/or terrorist activity, the associate shall as soon as possible notify HTCGFS and the Accounts / HR Department. Further, all insurance disallowances shall be borne / paid by the associate.
- Apart from the notification, the associate must confirm in writing within 48 hours of the occurrence of such event causing loss and / or damage to the vehicle to HTCGFS.
- In the event of accident including injuries/damages of vehicle or theft of the vehicle or third-party injury, the associate must report the same to the nearby police station within 24 hours and obtain from such police station a copy of the first information report clearly mentioning the registration number, engine, and the chassis number. Company would not reimburse the cost involved in dealing with the above-specified events.
- The EMI will include all incidences of GST and any other taxes and duties as applicable at the time of entering into the loan agreement. Since these are subject to revision based on the policy announced by the Government from time to time,

the same will have to be clarified with HTCGFS at the time of entering into the loan agreement depending upon the state statutory norms.

- The agreement can be terminated at any point of time at either during separation, termination of employment or transfer. During the termination of the employment before the loan tenure period, there would be applicable foreclosure amount along with the unpaid value of the EMI, which must be borne, by the associate and the terms and conditions specified by HTCGFS will imply on the associate.
- At any point of time, Management reserves right to alter the terms and conditions prescribed in the policy. Any change to the existing policy would be communicated and the decision would be conveyed to all the applicable associates under the company car scheme policy.
- The associate shall, at their own expense, keep the vehicles in good working condition and repair and furnish / obtain all-spare parts, devices, labors as may be required.
- All terms and conditions that the company has entered with HTCGFS are applicable to the associate who has been allotted the car.
- Any income tax liability because of availing of a car from the company is to the account of the associate.
- The associate under the company car scheme shall utilize the vehicle for personal and official purposes only. Associate would exercise all such care and caution as a prudent person would as regards to the use of the vehicle while the same is under his / her possession and used by him / her.
- An associate under the scheme will be eligible for a maximum of Rs.7500/- (Rupees Seven Thousand and Five Hundred Only) per month towards car running and maintenance expenses against supporting bills. This will be reduced from the special allowance which is part of his / her existing CTC (Cost to Company) and would be moved to the Flexi-basket (Car Scheme).
- Associate shall submit original bills, supporting to expenses pertaining to car running and maintenance expenses.
- The associate should have a valid driving license or should have a driver with a valid license to be eligible under the car scheme. Photocopy of the driving license need to be submitted.
- On completion of the said term period the vehicle will be transferred in the name of the associate and the cost in lieu of such transfer (charges pertaining to the vehicle transfer / name change etc.,) will have to be borne by the associate.
- Company reserves the right to modify / amend / withdraw or add to any part of this policy in part or in full at any time without assigning any reason.
- The EMI payment / Calculator for any vehicle can be obtained from HTCGFS.
- An associate under the scheme will be eligible for two types of reimbursements (Fuel Reimbursement and Insurance Reimbursement)
- Fuel Reimbursement: An associate under the scheme will be eligible for a maximum of Rs.7500/- (Rupees Seven Thousand and Five Hundred Only) per month towards



car running and maintenance (i.e., car service etc.) expenses against supporting the original bills to payroll team.

- Insurance Reimbursement: Every associate who is under company's car scheme must renew the insurance every year until they are in car scheme policy by their own and submit the bill copy and scan copy of renewed insurance to Finance team and get it reimbursed accordingly.
- On completion of the said term period, at the discretion of the management, the associate can opt to continue in the scheme to avail the benefit of fuel and insurance reimbursement for a further period of 2 years, provided the vehicle is not sold/transferred from the company name.

#### **Submission of Original Certificates:**

The associates are required to submit the original Registration Certificate and Invoice to the Company. However, they can hold the original insurance and submit a copy of the same.

#### **Charges on Foreclosure/Part Payment:**

<b>Foreclosure Charges</b>	not allowed for initial 6 months; 4% if foreclosed within 2 years; NIL Charges - if foreclosed thereafter
<b>Part Payment Charges</b>	not allowed for initial 6 months; 2% if part pay within 2 years, can pay once in a year; NIL Charges thereafter

### **3.2.7 SPECIAL ALLOWANCE**

Special Allowance is a residuary of the balance CTC which is paid as a fixed component to associates and necessary taxes will be applicable as per the provisions of Income Tax Act/Rules. Those eligible associates opting for car scheme will have the apportioned amount carved out of their special allowance

### **3.2.8 RETIRALS**

Associates have the following benefits as retirals:

- Provident Fund
- Gratuity

**Provident Fund** - The Associates Provident Fund and Miscellaneous Provisions Act provides for compulsory contribution to the PF fund for the future of an associate after his retirement or for his dependents in case of his early death. As per provisions of the Act, both the associate and employer contribute to the fund at the rate of 12% of the basic wages.

**International workers:** Other than Indian National, those Foreign Nationals working in India will have PF deducted at 12% from the fixed component of CTC excluding HRA.

**The Voluntary Provident Fund (VPF):** is an extension of the Employee Provident Fund (EPF) where associates have the option to contribute more than the mandatory contribution towards

their EPF account. This is a voluntary scheme that allows associates to increase their retirement savings through additional contributions. Once an associate chooses to opt for VPF they can move out of the VPF scheme only in the next financial year.

Associates can make VPF contributions in multiples of 5% of their basic with a cap of contributing at a max of 85% of their basic. The deduction would be applied from their gross income.

In the event of a change in basic, the % contribution chosen would continue to apply. For example, at the start of the FY, if the basic was INR 20,000 and the associate chose a 10% additional VPF, INR 2,000 would be deducted monthly, suppose in Sept of the same financial year, the associate has a change in basic and the basic moves to INR 25,000, the deduction towards VPF would be INR 2,500 for the rest of the financial year.

#### **Gratuity:**

Gratuity shall be payable to an associate on the termination of his / her employment after he / she has rendered continuous service for not less than four years and two hundred and forty-four days but for the following exceptions:

- on associate superannuation
- on associate's death or disablement due to accident or disease incapacitating him / her to perform duties.

Gratuity will be paid at the rate of 15 days (Basic Salary/26 \*15) basic salary for each year of completed services or part thereof more than six months. The same shall be paid at the time of separation with the company on retirement or otherwise as per Gratuity Act. The payment of gratuity shall be subject to income tax as may be applicable at the time of payment.

#### **3.2.9 VARIABLE PAY**

- Variable pay accrues and becomes payable to an associate on an annual basis; the variable pay accrued for the period Jan 1st – Dec 31st of the previous calendar year would be paid with the March payroll in the subsequent year.
- The Variable Pay will vary, based on the performance of the Company, Individual's performance, and continuity of service at the time of disbursement.
- The disbursement of Variable Pay, if applicable, is subject to you being active in the rolls of the Employer at the time of disbursement / not serving notice at the time of payout.
- The Variable Pay will not be paid in the event of separation / termination of employment / an associate serving the notice period, for any reason on or before the disbursement time.
- The application and interpretation of, and any determinations related to the Variable Pay is at the sole discretion of the Employer. Employer may amend or terminate the Variable Pay at any time.

Associate will have either a Statutory Bonus component or a Variable Pay based on their level as detailed below:

Level	Designations / Titles	Recommended VP %
L1	Associate Engineer / Associate Trainee / Junior Associate	CTC upto 6.5 LPA - covered under statutory bonus; CTC >6.5 to 8 LPA - 2.5% CTC >8 LPA - 5%
L2	Engineer / Associate	
L3	Senior Engineer / Senior Associate	
L4	Lead - Technical / Functional / Project / Lead Associate	5%
L5	Associate Manager	7.5%
L6	Manager	7.5%
L7	Senior Manager	10%
L8	Associate Director	10%
L9	Director	10%
L10	Senior Director	10%
L11	Associate Vice President	15%
L12	Vice President	15%

#### Statutory Bonus

Statutory Bonus will be eligible as per The Payment of Bonus Act, 1965 and necessary amendments thereof from time to time. This will be paid in the month of October for the previous financial year for eligible associates.

#### 4. OTHER ANNUAL BENEFITS

In addition to your annual total cash compensation, you will be eligible for following benefits, which will be governed by Company policy:

##### 4.1 INSURANCE BENEFITS

Insurance benefits extended to associates are part of the CTC and are as below:

- Group Medical Insurance (GMI)
- Group Term Life Insurance and Group Personal Accident Policy (GTLI and GPA)

##### 4.1.1 GROUP MEDICAL INSURANCE (GMI)

All associates in the permanent rolls are covered under the Group Medical Insurance Policy. Those on Consultant rolls may need to enroll for coverage and the premium will be deducted in the first retainer / contractual fee pay out.

The policy is family floater with Sum Insured for 4 lakhs, 5 lakhs, 7 lakhs and 8 lakhs depending on the level of the associate. In cases where both husband and wife are employed in HTC, either one of them will declare the other including their children as dependents.

The policy has been divided into 2 categories (1+3 (Self, Spouse & 2 Children max.) and 1+5 (Self, Spouse, 2 Children, Parents / In-laws)) wherein effective 1st May 2022 associate onboarded (Joining the company) will be moved into 1+3 category. However, they can opt for 1+5 within 7 days from the time of onboarding.

The premium increase (differential amount) due to change in the category from 1+3 to 1+5 will be deducted in their monthly salary payout.

- Deletion of dependents (only in case of demise) is allowed.

#### **4.1.2 Group Term Life Insurance and Group Personal Accident (GTLI & GPA)**

All associates in the permanent rolls are covered under the Group Term Life and Personal accident coverage for any untoward incidents. Consultants are not eligible for GTLI and GPA coverage.

The sum insured are categorized depending on the levels of the associates, the relevant individual coverage will be reflected in the respective associate's home page in the ePortal. The coverage for Accidental death / Permanent total disability is 100% of the sum insured and for temporary total disablement coverage (due to an accident) is INR. 5000 per week for a maximum of 104 weeks.

The premium for insurance benefit varies from time to time based on the overloading principle. Premium rates arrived out at the time of renewal will be recovered from the associate through restructure of salary.

#### **4.2 DEDUCTIONS**

##### *Income Tax*

Income tax is deducted at source based on the salary income of the individual associates and the effective tax rates. Associates are required to declare their proposed tax saving investments and expected rental payments during the financial year at the beginning of each fiscal year. The above declarations would be considered to compute the annual tax liability and arrive at the monthly tax deductions. Associates will also need to submit proof of such investments and/or rental payments by the 5<sup>th</sup> of January every year failing which the benefits that have accrued though the year will be recovered.

At the end of each financial year, 'Form 16' will be prepared and forwarded to each associate for use in connection with the preparation/filing of income tax returns.

### *Professional Tax*

Professional tax is deducted at source based on the individual associates' monthly salaries. Professional tax is a state employment tax, and such rates are dependent on the State in which the associate renders the service. Rates are dependent on the salary slabs prescribed in accordance with the local governing body.

### **DEFINITION /TERMINOLOGY**

Definition / Terminology	Description
HR	Human Resources
CTC	Cost To Company
HRA	House Rent Allowance
LTA	Leave Travel Allowance
VP	Variable Pay
GMI	Group Medical Insurance
GTLI/GPA	Group Term Life Insurance and Group Personal Accident Policy

### **Waiver and Amendment of the Policy**

The Human Resources team will monitor the effectiveness and review the implementation of this Policy, regularly considering its suitability, adequacy, and effectiveness.

The company reserves the right to alter, append or withdraw this policy time to time either in part or in full based on management's discretion.