



# HEXAGON

## **Total Rewards Policy**

Compensation and Benefits

**Revision:** 1.1

**Last Reviewed:** 26 Jun 2023

**Next Revision Date:** 23 Apr 2025

# Table of Contents

<b>1. Introduction .....</b>	<b>3</b>
<b>2. Scope &amp; Eligibility .....</b>	<b>3</b>
<b>3. Definitions .....</b>	<b>3</b>
<b>4. Guidelines.....</b>	<b>3</b>
4.1.1 Compensation Survey, Benefits, Structure & Mechanism.....	3
4.1.2 Components of Compensation Management.....	3
4.1.3 Compensation Structure .....	4
4.1.4 Standard Components in Monthly Salary.....	4
4.1.5 Statutory Benefits .....	6
<b>5. Additional Points.....</b>	<b>7</b>
5.1.1 Reimbursement of Children Education Fee .....	7
5.1.2 Leave Travel Assistance (LTA).....	8
5.1.3 Telephone Reimbursement .....	8
5.1.4 Car Maintenance Reimbursement .....	8
<b>6. Standard Benefits .....</b>	<b>9</b>
6.1.1 Standard benefits as part of Total Rewards Statement- Annexure 1 .....	9
6.1.2 Other Benefits as part of Total Rewards Statement- Annexure 2 .....	9
6.1.3 Employee Wellness .....	9
6.1.4 Cafeteria Benefit.....	10
6.1.5 Recreational/Physical Fitness Activities.....	10
<b>7. Confidentiality .....</b>	<b>10</b>
<b>8. Policy Administration &amp; Exceptions.....</b>	<b>11</b>
<b>9. Revision History.....</b>	<b>11</b>

# 1. Introduction

It is the policy of HCCI to base salary revisions on the nature and content of the job performed and the salaries paid by the industry for similar work. The organization also provides the employees with certain benefits, which will assist them in meeting their short, mid and long-term needs.

# 2. Scope & Eligibility

This policy is applicable to all full-time employee (FTE), including employees in probation, on active payroll of HCCI in India.

# 3. Definitions

Term	Definition
Full-Time Employees (FTE)	Individuals employed on a regular basis to work a standard number of forty (40) or more hours per week, if the standard workweek has 5 working days. This will be the primary mode of employment.  For compensation management, FTE shall be further classified into different Bands. Their compensation will be governed as per the components mentioned in this policy.
Position Class & Job Titles	Every FTE shall have a job position (designation with a job description) and these are classified further into Position Class, Band, Job Titles, and Job Roles.  The Band classification shall be used for mapping positions in each of the respective functional areas as needed.
Bands	Bands indicate a more general classification irrespective of functions and shall be used for general applicability for compensation structure and certain benefits like local conveyance, travel entitlement, etc.
Continuous Development Dialogue (CDD)	Periodic CDDs are a mechanism to ensure we engage in constant dialogues with our teams focused on their career. HCCI follows CDD for performance assessment and feedback. There are no formal ratings assigned to employees for the purpose of compensation management

# 4. Guidelines

## 4.1.1 Compensation Survey, Benefits, Structure & Mechanism

Human Resources Department runs a compensation survey with Aon Radford, a leader in international & domestic total rewards subjects, and provides recommendations for benefits/ salary structuring based on market trends. All salary computations by Executive Committee shall be done using the mechanism outlined by HR Department.

## 4.1.2 Components of Compensation Management

HCCI Internal Document. All rights reserved.

The compensation management shall take into consideration components like Performance assessment, Organizational Position, Inflation, Market Adjustment.

#### 4.1.3 Compensation Structure

The structure of compensation shall allow flexibility only within the provisions of Income Tax Act and shall be reviewed periodically by the Total Rewards Team in Human Resources Department.

Total rewards statement is structured as follows:

- A. Annexure 1- detailing the compensation structure and some benefits.
- B. Annexure 2- detailing a bouquet of benefits to all employees

The compensation structure has the following headers:

- a. Monthly Salary with a header of payments such as Basic Pay, HRA, LTA, Child Education Allowance, Child Hostel Allowance, Car Maintenance, Telephone Reimbursement, and Special Allowance.
- b. Retiral Benefits structured as NPS, Provident Fund, and Gratuity Plan
- c. Variable on Target (VOT), as applicable
- d. On Target Earnings (OTE), which is the sum of monthly gross including retiral benefits and variable on target, as applicable.
- e. Standard benefits detailing the annualized value of Meal Card, Premium paid for company-provided insurances, and Online Learning Platform Subscription.
- f. Annual Cost to the company, which is the sum of On Target Earnings and Standard Benefits.

#### 4.1.4 Standard Components in Monthly Salary

The Company aims to provide a standard salary structure across the levels. The components include:

**Basic Pay:** It is the amount paid to an employee before any extras are added (Allowances) or taken off (Deductions). It forms the core of the salary structure consisting of 40% of the monthly gross (Including standard Benefits). Other salary components like gratuity, PF, and HRA are determined according to the basic salary.

**House Rent Allowance:** It is paid towards the rented accommodation which constitutes 50% of the basic salary.

**Children's Education Allowance:** An allowance of Rs. 200 per month is allowed per child for up to two children studying as per the income tax act.

**Children Hostel Allowance:** An allowance of Rs. 300 per month is allowed per child for up to two children for staying in a hostel as per the income tax act.

**Special Allowance:** Special Allowance is a balancing component from the monthly gross amount and is a part of the salary.

**Leave Travel Allowance:** LTA is an allowance part of the salary structure, paid as per the band of the employees.

BAND	LTA
9 & 8	4,000
7	7,000
6 & above	10,000

**Telephone Reimbursement / Allowance:** This is paid to the employees to cover the telephone and internet expenses. Employees can choose either reimbursement or allowance at the beginning of the financial year/month of joining. If it is selected as reimbursement, then employees can claim the amount on submission of relevant bills as per their monthly eligibility.

If it is chosen as an allowance, then the employee will get the amount paid in salary along with other components as fixed.

Below is the eligibility for Telephone reimbursement/allowance as per band.

BAND	Telephone & Internet
9-7	1,000
6,5,4,3 & 2	2,000
1 & above	5,000

**Car Maintenance:** This is paid to the employees to cover the car maintenance expenses. Employees must choose any one option for this component to be paid either reimbursement/allowance.

Reimbursement towards Car Maintenance can be claimed on actual and against submission of bills towards Fuel, Repairs & Maintenance, Driver's Salary (where applicable), and Insurance. Reimbursement can be claimed in respect of Cars owned by the employee or his/her spouse.

- In case an employee is not able to furnish the bills up to the maximum amount as per eligibility in any month, the balance amount shall be carried forward to the next month.
- An employee can also choose to have the entire Car Maintenance Reimbursement amount paid as part of his/her

HCCI Internal Document. All rights reserved.

salary as fixed and paid along with monthly Payroll.

- As per the income tax act, the amount of Rs. 2700 is split as 1800 per month for Car fuel & maintenance, and 900 per month as driver's salary. If an employee has opted for a Car lease policy, he/she will be eligible for maximum monthly reimbursement of 7,000 pm (Rs. 2700 + Rs. 4300) towards fuel or insurance premiums or maintenance or any combination thereof, as provided in the compensation letter based on submission of actual bills. They can only claim reimbursement for Car maintenance.

#### 4.1.5 Statutory Benefits

##### 4.1.5.1 Provident Fund

To provide long term savings plan with contributions from the Company and the employee administered under the Employees Provident Fund & Miscellaneous Provisions Act, 1952. This scheme shall be applicable from the first day of joining the Company. The Company shall contribute 12% of the basic salary per month, for each employee. The Company shall also deduct an equivalent amount every month from the employee's salary and remit both the amounts to the fund with the office of the Regional Provident Commissioner, Hyderabad. The contributions so made are credited to the Provident Fund (PF) and Family Pension Fund (FPF) account of the employee. The company also contributes to Deposit Linked Insurance Scheme (DLI).

On retirement from service, the employee will be eligible;

- To claim the amounts credited to the PF account and
- Will be paid a monthly pension from the FPF account.

On Resignation / Termination of service;

- The PF and FPF are transferable to the accounts with the new employer
- Or the employee can claim the amounts credited to PF account as per EPFO guidelines.

##### 4.1.5.2 PF Nomination

- Employee is to update the E-nomination in the UAN Member portal
- Member should give the names of Spouse and all children
- In case the member has no family one person can be nominated.
- However, such nomination will become invalid once the member acquires a family. Dependent means any of the following relatives of an employee in a Provident Fund, namely, a wife, husband, parent, child, minor brother, unmarried sister, and a deceased son's widow and child, and where no parent of the member is alive, a paternal grandparent.

In the event of the death of an employee;

- The nominee shall be paid an Assurance Benefit under the EDLI Scheme, which is linked to the average balance in the PF Account.
- The nominee can claim the amounts credited to the employee's PF Account.
- The nominee will be paid a monthly pension from the EPS amount as per the EPFO guidelines

**Procedure for Claim:** The fund shall be administered by the Regional Provident Fund Commissioner and will be disbursed to the employee/nominee of the employee on resignation/retirement/termination / death etc. Permanent

HCCI Internal Document. All rights reserved.

withdrawal of funds and Interest-free loans can be availed from this fund towards prescribed expenses on fulfilling the required terms and conditions under The Employees Provident Funds & Miscellaneous Provisions Act, 1952 by applying on the UAN Member portal.

#### 4.1.5.3 Gratuity

All Full-Time employees having completed a minimum of one (1) year of employment are eligible for this benefit.

The Gratuity plan shall be administered through the Hexagon Capability Center India Pvt. Ltd. Gratuity Trust and Life Insurance Corporation (LIC) of India to make provisions for payment of gratuity for long service to the organization. The company makes the necessary contributions to the LIC of India.

The entitlement of gratuity will be the actual eligible amount calculated in line with the Payment of Gratuity Act, 1972, without any upper cap post-completion of 1 year of continuous service as a regular employee. However, any amount above ₹ 20 Lacs (if applicable) will be subject to income tax as per the rules.

The employee shall be eligible to claim the amount under the following conditions:

- The employee must put in a minimum of one (1) year of service in HCCI. The period will be calculated from the date of joining the company as a full-time employee.
- Gratuity shall be calculated at fifteen days' basic salary, at the last basic salary drawn, for each year of completed service up to the maximum allowed under the law
- The employee will be able to claim the benefit only after resignation/retirement/termination of services.
- In case of the death of an employee, the nominee of the employee will be entitled to the benefit; wherein the minimum employment of one (1) year in the Company is not applicable.

#### 4.1.5.4 Gratuity Nomination

"Family" in relation to an employee, shall be deemed to consist of-

- In the case of a male employee, himself, his wife, his children, whether married or unmarried, his dependent parents [and the dependent parents of his wife and the widow] and children of his predeceased son, if any,
- In the case of a female employee, herself, her husband, her children, whether married or unmarried, her dependent parents and the dependent parents of her husband and the widow and children of her predeceased son, if any;

**Procedure for Claim:** When an employee or the nominee becomes eligible to receive gratuity benefits, the trust puts in a claim with the LIC of India. The gratuity amount shall be paid to the employee or the nominee after the completion of processing requirements.

## 5. Additional Points

### 5.1.1 Reimbursement of Children Education Fee

- To provide reimbursement of certain expenses to meet the education of the employee's dependent children as per Income-Tax Act.

HCCI Internal Document. All rights reserved.

- The employee shall be eligible to claim exemption from Income Tax to a maximum of Rs.100 per month per child for a maximum of 2 children.
- For employees with child/ children staying in a hostel, the exemption amount shall be Rs.150 per month per child for a maximum of 2 children.

### 5.1.2 Leave Travel Assistance (LTA)

To support Leave Travel Assistance (LTA) as provided by Income-Tax Act and as a part of the monthly salary component of the salary.

The procedure for availing LTA is given below:

- A statement of expense is required to be submitted with original documents mentioning the precise mode of travel.
- Privilege Leaves applied during the travel period should be approved and documented.
- Exemption from Income Tax shall be limited to travel expenses only on actuals, up to economy class airfare, by the shortest route, to any one place in India.
- The claim declaration shall be allowed for the first two LTA claims in a block of 4 years.
- Submit the claims with the original and valid bills, boarding passes, flight tickets, invoice of travel agent, train tickets, cab receipts, etc.,
- All bills with respect to Medical/Children Education and LTA are processed by the Finance department for tax exemption.

### 5.1.3 Telephone Reimbursement

- The component is a part of the Gross Monthly Salary. Eligible employees shall have their maximum eligibility indicated in their Offer Letter / Salary Revision Letter.
- Telephone Reimbursement can be claimed against residential phone (landline) and /or mobile phone and /or Broad Band connections.
- In case of a change in residence the employee would have to update on HexConnect the details of the new residential address before claiming the bills.
- In case an employee is not able to furnish the bills up to the maximum amount as per eligibility, the balance amount shall be carried forward to the next month.
- An employee can also choose to have the entire Telephone Reimbursement amount paid as part of his salary. In such cases, the entire amount shall be subject to taxation.

### 5.1.4 Car Maintenance Reimbursement

- To facilitate Managers & above to use their cars for official purposes, the component is a part of the Gross Monthly Salary. Employees eligible for the Car Maintenance Reimbursement will have the maximum eligibility indicated in the Offer Letter / Salary Revision Letter.
- Reimbursement towards Car Maintenance can be claimed on actual and against submission of bills towards Fuel, Repairs & Maintenance, Driver's Salary (where applicable), and Insurance/ Road Taxes. Reimbursement can be claimed in respect of Cars owned by the employee or his/her spouse.

HCCI Internal Document. All rights reserved.



- In case an employee is not able to furnish the bills up to the maximum amount as per eligibility in any month, the balance amount shall be carried forward to the next month
- An employee can also choose to have the entire Car Maintenance Reimbursement amount paid as part of his salary. In such cases, the entire amount shall be subject to taxation.
- The payment towards the same shall be credited directly to the bank account of the concerned employee after adequate verification.

## 6. Standard Benefits

### 6.1.1 Standard benefits as part of Total Rewards Statement- Annexure 1

- We offer meal card, with a monthly value of INR 2,200 to all employees, interns, and employees on a retainer model. Meal card is uploaded with the value at the start of the month. This is prorated to the number of payroll days of month for a new joiner.
- We provide 3 types of insurance benefits to our employees namely Group term life insurance, Group personal accident insurance, and Group medical insurance. The value of the Premium paid for company-provided insurance is based on OTE and is mentioned as a standard benefit.
- We offer an Online Learning Platform for any time, self-paced learning for all employees. Online Learning Platform Subscription is a standard amount for all employees.

### 6.1.2 Other Benefits as part of Total Rewards Statement- Annexure 2

- We offer Executive Health Check up to all full-time employees, conducted yearly once in the month of Nov- Dec. There are band-based reimbursement limits, that are informed to all employees at the start time of the yearly executive health check-up cycle.
- All employees are eligible for milestone-based benefits like Wedding gift and Childbirth gift, tenure-based Services awards, and Company Day gifts. All benefits mentioned are subject to review and periodic revision.

#### 6.1.2.1 Process to avail Wedding gift and Childbirth gift

- This is applicable to all employee who ties the nuptial bond or is blessed with a child during their tenure at HCCI.
- Childbirth gift provision is applicable up to two children only.
- In cases where an employee gets married to another employee within the organization, both employees shall be eligible for the gifts.
- The employee needs to make sure the ServiceNow ticket is raised within 3 months from the date of the occasion.
- HR shall be responsible for the coordination and distribution of the gift cards.

### 6.1.3 Employee Wellness

At HCCI, we value holistic employee well-being. To support and further this, HCCI runs multiple wellness-related initiatives in both preventive and curative health care.

- For curative health care needs, all employees have medical insurance for themselves and their families.

HCCI Internal Document. All rights reserved.

- For preventative health care, HCCI runs a yearly Executive Health Check scheme for all employees as per the eligibility defined.
- As part of holistic wellness, HCCI has partnered with an external wellness platform for Employee Assistance Program through which employees and their dependents are offered access to free counsellor sessions.
- HCCI also has partnered with a Physical Well-Being platform through which employees get access to curated content, virtual guide & recorded webinars on various wellness topics.

In addition to this, HCCI periodically partners with wellness & health solution providers for specialized wellness initiatives like cancer screening, health talks, specialist consultation, etc.

#### 6.1.4 Cafeteria Benefit

To ensure all employees have hygienic and nutritious food while at work, the company shall provide food/beverages to all employees. It shall include:

- Tea/Coffee from a vending machine at any time.
- We offer complimentary breakfast in the Hyderabad office, on all working days.
- Breakfast, lunch on a payment basis, and tea/coffee served at the Cafeteria during the working hours of the normal shift in a Standard Work-Week.

The Cafeteria timings shall be as follows;

- Breakfast: 08.15 am to 09.30 am
- Lunch: 12.30 pm to 02.00 pm

Administration Department shall be responsible to oversee, appoint, organize, and monitor the catering and supply of food/beverage along with maintaining the coffee/tea vending machines. Finance Department shall be responsible for the verification and accounting of food/beverages.

#### 6.1.5 Recreational/Physical Fitness Activities

- To promote physical fitness/recreational activities that will enhance one's physical self as well as the individual's well-being different activities would be organized throughout the year through Inter-Club, the representative body for employee recreation.
- The recreation area at the Hyderabad office shall be kept open round the clock to allow employees to utilize this facility during their respective non-working hours. Employees and respective managers must ensure that no conflict of interest arises between the assigned work and recreation.
- Human Resources Department shall justify and monitor budgetary provisions.

## 7. Confidentiality

Employee salary information is confidential. It shall be the responsibility of every employee to respect this. All employees handling the processing of salary shall take utmost care not to divulge the salary information to any unrelated person or employee.

## 8. Policy Administration & Exceptions

Human Resources Department shall be responsible for providing the compensation survey and recommendations of benefit structuring and compensation mechanisms to the CEC for appraisal and approval. Additionally, the Finance Department shall recommend the compensation structure in terms of the provisions of Income Tax Act to the CEC.

Structure of Benefits shall be largely guided by statutory provisions under the Income Tax, Provident Fund and Gratuity Related Acts and may change to accommodate the interest of the employees and/or changed laws.

## 9. Revision History

Rev.	Rev. Date	Reason for Revision	Revised By	Approved By
1.0	24-Apr-2023	Header of payments and their definitions, Total Rewards Statement structure	Anant Gupta	Nousheen Khan
1.1	26-Jun-2023	Process of Wedding gift, Childbirth gift and Employee Wellness Program details moved from Employee Experience policy to Total Rewards Policy.	Anant Gupta	Nousheen Khan