

HCL INFOSYSTEMS LIMITED

RELATED PARTY TRANSACTION POLICY

Preamble

Regulation 23 of Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulations, 2015 mandates formulation of a policy on dealing with related party transactions to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

The Board of Directors (the "Board") of HCL Infosystems Limited (the "Company" or "HCL"), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Board/Audit Committee may review and amend this policy from time to time

Objective

Related-Party Transactions Policy (this "Policy") is to set forth the procedures under which transactions with Related Parties shall be reviewed for approval or ratification in accordance with the provisions of the Companies Act 2013 and Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulations, 2015

Definitions

- "Audit Committee or Committee" means Accounts & Audit Committee of the Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013.
- "Arm's Length Basis" means a transaction between two related parties that is conducted as if they were unrelated, so there is no conflict of interest.
- "Board" means the Board of Directors of the Company.
- "Key Managerial Personnel" means key managerial personnel as defined under the Companies Act, 2013 and the rules made thereunder.
- "Material Related Party Transaction" means a transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- "Policy" means Related Party Transaction Policy.
- "Related Party" means related party as follows:
 - such party is a related party under Section 2(76) of the Companies Act, 2013; or
 - such party is a related party under the applicable accounting standards.

- “Related Party Transaction” means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.
- “Relative” means relative as defined under the Companies Act, 2013 and the rules made thereunder.

Policy on Related Party Transactions

The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transactions other than those with Exempted Wholly Owned Subsidiaries (whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval). The approval of the Audit Committee can also be granted by way of a circular resolution.

The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:

- a. The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
- b. The indicative base price / current contracted price and the formula for variation in the price, if any; and
- c. Such other conditions as the Audit Committee may deem fit.

The Audit Committee may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that cannot be foreseen and for which the aforesaid details are not available up to a value of Rs. 1 crore per transaction.

The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm’s length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

All material related party transactions, other than those with exempted Wholly Owned Subsidiaries will be placed for approval of the shareholders of the Company. A transaction with a related party is considered material if the transaction/transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of the Company.