# Nomination and Remuneration Policy

## eClerx Services Limited

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| Project | Nomination and Remuneration Policy |
| Company | eClerx Services Ltd. |
| Prepared by | Legal & Secretarial |

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# 1. Introduction

In terms of Section 178 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors vide its resolution dated July 31, 2014. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

## 1.1. Objective of the Policy

The policy is framed with the objective(s):

1. 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

2. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks

3. That the remuneration to Directors, Key Managerial Personnel (KMP), and other 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

4. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration

5. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry

6. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations; and

7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage

8. To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on July 31, 2014.

## 1.2. Definitions

In this Policy unless the context otherwise requires:

1. 'Act' means Companies Act, 2013 and rules thereunder
2. 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company
3. 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
4. 'Company' means eClerx Services Limited
5. 'Directors' means Directors of the Company
6. 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
7. 'Key Managerial Personnel' (KMP) means:
    a. Chief Executive Officer and / or Managing Director
    b. Whole-time Director
    c. Chief Financial Officer
    d. Company Secretary
    e. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
    f. Such other officer as may be prescribed
8. 'Ministry' means the Ministry of Corporate Affairs
9. 'Regulations' refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, Listing Regulations and such other rules, provisions and amendments as applicable to the matters dealt in by this Policy
10. 'Senior Management Personnel' for this purpose shall mean employees of the company who are members of its core management team (employees in the cadre of Principal and above) excluding Board of Directors. It would comprise all members of management one level below the CEO/MD/WTD/Manager (including CEO/Manager, in case they are not part of the Board) which would cover employees in the cadre of Managing Principal, the functional heads and shall also include the persons identified and designated as key managerial personnel, other than the board of directors, by the Company, unless stated/defined otherwise in the Policy.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

# 2. Nomination and Remuneration Committee

## 2.1. Guiding Principles for Constitution of Nomination and Remuneration Committee

The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.

The Committee shall meet atleast once in a year to carry out the objectives set out in the Policy. A quorum of two members or one third of the members, whichever is greater is required to be present for the proceedings to take place. The Committee members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the applicable Regulations. The Committee shall have the authority to call such employee(s), senior official(s) and / or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

## 2.2. Committee Members

The Chairperson and Members of the Committee will be decided by the Board of Directors.

## 2.3. Functions of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall, inter-alia, perform the following functions:

1. Identify 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 and shall carry out evaluation of every director’s performance

2. 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 and other employees

3. Ensure that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors

4. Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability

5. Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines

6. Decide / approve details of fixed components and performance linked incentives along with the performance criteria

7. Devise a policy on Board diversity

8. Formulate the criteria for evaluation of Independent Directors and the Board

9. The Nomination and Remuneration Committee shall , formulate the Remuneration Policy of the Company

10. The Nomination and Remuneration Committee shall assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management

11. The Nomination and Remuneration Committee shall recommend to the board, all remuneration, in whatever form, payable to senior management. Senior management would comprise of employees of the Company who are members of its core Management team (employees in the cadre of

Principal and above) excluding Board of Directors. This would comprise of all members of the management one level below the CEO/MD/WTD/Manager (including CEO/Manager, in case they are not part of the Board) which would cover employees in the cadre of Managing Principal, and shall also include thethe persons identified and designated as key managerial personnel, other than the board of directors, by the Company..

The Chairman of the nomination and remuneration committee / other member of the Committee authorized by the Chairman in this behalf shall be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

Provided that Nomination and Remuneration Committee shall set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

## 3. Applicability

This Policy is applicable to:

1. Directors viz. Executive, Non-executive and Independent
2. Key Managerial Personnel
3. Senior Management Personnel
4. Other Employees of the Company, as applicable.

## 4. Appointment of Director, KMP and Senior Management

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

3. Appointment of Independent Directors is subject to the compliance with the provisions of Section 149 of the Companies Act, 2013, read with schedule IV and Rules framed thereunder.

4. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

# 5. Term / Tenure

## 5.1. Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Executive Director, Managing Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

## 5.2. Independent Director

The maximum tenure of Independent Directors shall be in accordance with the Companies Act, 2013, Listing Regulations and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

## 6. Familiarisation Programme for Independent Directors

1. The company shall familiarise the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.,

2. Familiarisation Programme/activities shall, inter-alia, cover the following

    a. Introduction and meeting with other Directors on the Board and the Senior Management

    b. Brief introduction about the business of the Company

    c. Roles and responsibilities of directors

    d. Extant Committees of Board of Directors

    e. Meetings of Board and Committees, venue, generic dates and timings when such meetings are generally held and the annual general meeting of shareholders of the Company.

    f. The Codes of Conduct which are in place and applicable to the Directors

    g. Remuneration payable to Directors pursuant to Shareholders approval to that effect

    h. Liability Insurances taken by the Company to cover directors

3. The requisite details shall be disclosed on the company's website and a web link thereto shall also be given in the Annual Report.

## 7. Evaluation

The Committee shall carry out evaluation of performance of every Director, Independent Director, Chairman of the Board, KMP and Senior Management Personnel at regular interval (yearly). The same may however be delegated by the Committee.

## 8. Disqualifications for Appointment of Directors

1. Pursuant to section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a director of a company if:

    a. He is of unsound mind and stands so declared by a competent court;

    b. He is an undischarged insolvent;

    c. He has applied to be adjudicated as an insolvent and his application is pending;

    d. He has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

    e. Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

    f. An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;

    g. He has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;

    h. He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or

    i. He has not complied with sub-section (3) of section 152.

    j. He has not complied with the provisions of sub-section (1) of Section 165

2. No person who is or has been a director of a company which:

    a. Has not filed financial statements or annual returns for any continuous period of three financial years; or

    b. Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so

    c. Provided that where a person is appointed as a director of a company which is in default of clause (a) or clause (b), he shall not incur the disqualification for a period of six months from the date of his appointment

## 9. Removal

The Committee may recommend, to the Board with reasons to be recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

## 10. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Provided that all matters, hereunder, pertaining to retirement of employee(s) reporting directly to Mr. PD Mundhra, Executive Director and/or Mr. Anjan Malik, Director, and/or Mr. Kapil Jain, Managing Director & Group CEO and not being a Key Managerial Personnel, stand delegated to PD Mundhra, Executive Director and/or Mr. Kapil Jain, Managing Director & Group CEO.

## 11. Matters relating to the remuneration, perquisites for the Whole-time Director, KMP and Senior Management Personnel

1. The remuneration / compensation / profit-linked commission etc. to the Whole-time Director, Directors and Independent Directors will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / profit-linked commission etc. shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company, Act and shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required

2. As regards the remuneration of KMP, Senior Management Personnel and other employees, the determination shall be effected by way of annual presentation before the Committee by Principal – HR and / or by the Chief Financial Officer, which would have requisite details. The Committee shall peruse the same and approve accordingly.

3. Org-wide Increments to the existing remuneration / compensation structure shall be approved by the Committee. Increments to the Whole Time Director(s) should be within the slabs approved by the Shareholders. Increments will be effective from 1st April in respect of a Whole-time Director as well as in respect of other employees of the Company, unless otherwise decided.

4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration

For the purpose of this clause, Senior management would comprise of employees of the Company who are members of its **core Management team** (employees in the cadre of Principal and above) excluding Board of Directors. This would comprise of all members of the management **one level below the CEO/MD/WTD/Manager** (including CEO/Manager, in case they are not part of the Board) which would cover employees in the cadre of Managing Principal, and shall also include the persons identified and designated as key managerial personnel, other than the board of directors, by the Company**.**

# 12. Remuneration to Whole-time / Executive / Managing Director

## 12.1. Remuneration

The Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

## 12.2. Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company may pay remuneration to its Whole-time Director, without Central Government's approval, within limits specified under Schedule V of the Companies Act, 2013:

## 12.3. Provisions for excess remuneration

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sum in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

# 13. Remuneration to Non-executive / Independent Director

## 13.1. Sitting Fees

The Non-executive Independent Directors of the Company shall be paid sitting fees as per the applicable Regulations and no sitting fee shall be paid to Non-executive Non Independent Directors. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses shall be reimbursed to the Directors based out of Mumbai.

## 13.2. Profit-linked Commission

The profit-linked Commission shall be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.

## 13.3. Stock Options

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. Only such employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.

## 14. Remuneration to KMP, Senior Management Personnel and Other Employees

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

The Principal – HR and / or the Chief Financial Officer of the Company, will make org-wide annual presentation(s) before the Committee which would have requisite details setting out the proposed performance bonus payouts for the current financial year as well as the proposed increments for the next financial year. The Committee shall peruse and approve the same unless required under relevant regulations, to refer the same to the Board of Directors and / or Shareholders of the Company.

This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board meeting minutes.

The remuneration for KMP and Senior Managerial Personnel and other employees of the Company shall be approved by the Committee based on the org-wide recommendation / presentation by the Principal – HR and / or the Chief Financial Officer of the Company. In case any of the relevant regulations require that remuneration of KMPs or any other officer is to be specifically approved by the Committee and / or the Board of Directors then such approval will be accordingly procured.

For the purpose of this clause, Senior management would comprise of employees of the Company who are members of its **core Management team** (employees in the cadre of Principal and above) excluding Board of Directors. This would comprise of all members of the management **one level below the CEO/MD/WTD/Manager** (including CEO/Manager, in case they are not part of the Board) which would cover employees in the cadre of Managing Principal, and shall also include the persons identified and designated as key managerial personnel, other than the board of directors, by the Company**.**

## 15. Disclosure(s) in Board's Report

1. Unless otherwise provided/permitted under the Regulations, the following disclosures shall form part of Annual Report of the Company by way of Board's report:

    a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

    b. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

    c. The percentage increase in the median remuneration of employees in the financial year

    d. The number of permanent employees on the rolls of Company

    e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof, pointing out if there are any exceptional circumstances for increase in the managerial remuneration

    f. Affirmation that the remuneration is as per the remuneration policy of the Company **Explanation:** For the purposes of this clause:

    g. The expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;

    h. If there is an even number of observations, the median shall be the average of the two middle values

2. Unless otherwise provided under the Regulations, the Board's report shall also include a statement showing the name of top 10 employess and every such employee of the Company, who:

    a. If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rupees One crore Two Lakhs;

    b. If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rupees Eight Lakhs Fifty Thousand per month;

    c. If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

3. The statement referred to in sub-clause (2) shall also indicate

    a. Designation of the employee;

    b. Remuneration received;

    c. Nature of employment, whether contractual or otherwise;

    d. Qualifications and experience of the employee;

    e. Date of commencement of employment;

    f. The age of such employee;

g. The last employment held by such employee before joining the company;

h. The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-clause (2) above; and

i. Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:

Provided that the particulars of employees posted and working in a country outside India, not being directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month, as the case may be, as may be decided by the Board, shall not be circulated to the members in the Board's report, but such particulars shall be filed with the Registrar of Companies while filing the financial statement and Board Reports.

4. In addition to the disclosures required under the Companies Act, 2013, the following disclosures on the remuneration of directors shall be made in the section on the corporate governance of the Annual Report:

   a. All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.

   b. Details of fixed component and performance linked incentives, along with the performance criteria

   c. Service contracts, notice period, severance fees

   d. Stock option details, if any – And whether issued at a discount as well as the period over which accrued and over which exercisable

5. The Company shall publish its criteria of making payments to non-executive directors in its annual report. Alternatively, this may be put up on the company's website and reference drawn thereto in the annual report

6. The company shall disclose the number of shares and convertible instruments held by non-executive directors in the annual report. All pecuniary relationship or transactions of the non-executive directors vis-à-vis the company shall be disclosed in the Annual Report.

7. Non-executive directors shall be required to disclose their shareholding (Both own or held by / for other persons on a beneficial basis) in the listed company in which they are proposed to be appointed as directors, prior to their appointment. These details should be disclosed in the notice to the general meeting called for appointment of such director

## 16. Dissemination

The requisite details of the Policy to be disclosed in the Annual Report as part of Board's report therein/uploaded on the website, as per the applicable Regulations.

## 17. Amendments to the Policy

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

**Date: January 29, 2025**

**Place: Mumbai**

Kapil Jain

(Managing Director & Group CEO)