

# TALENTSPRINT PRIVATE LIMITED

## NOMINATION AND REMUNERATION POLICY

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## 1. TITLE

### Nomination and Remuneration Policy

## 2. OBJECTIVES

This policy is framed with the following objectives:

- 2.1 To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 2.2 To evaluate the performance of members of the Board and provide necessary report to the Board for further evaluation.
- 2.3 To attract, retain and motivate the Senior Management including its Key Managerial Personnel, evaluation of their performance and provide necessary report to the Board for further evaluation.
- 2.4 The relationship of remuneration with performance is clear and meets appropriate performance benchmarks.
- 2.5 To lay down a policy for payment of remuneration to the Directors, Key Managerial Personnel Senior Management and other employees of the Company;
- 2.6 To assist the Board on determination of Remuneration payable to the Directors, Key Managerial Personnel and Senior Management and other employees of the Company
- 2.7 To promote and develop a high performance workforce in line with the Company strategy.
- 2.8 To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive, Non- Executive and Independent) and persons who may be appointed in Senior Management, Key Managerial Personnel and determine their remuneration.
- 2.9 To determine the remuneration based on the Company's size and financial position and practices in the industry.
- 2.10 To 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;
- 2.11 To ensure that the remuneration to directors, key managerial personnel 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.

## 3. DEFINITIONS

- 3.1 "**Act**" means Companies Act, 2013 and rules framed thereunder as amended from time to time.
- 3.2 "**Board of Directors**" or **Board**, in relation to the company, means the collective body of the Directors of the Company.
- 3.3 "**Committee**" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time.
- 3.4 "**Company**" means "**Talentsprint Private Limited**".
- 3.5 "**Director**" means a director appointed on the Board of TalentSprint;

- 3.6 **"Managerial Personnel"** means Managerial Personnel or Persons, applicable under section 196 and other applicable provisions of the Companies Act, 2013.
- 3.7 **"Policy"** or **"this policy"** means Nomination and Remuneration Policy.
- 3.8 **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.
- 3.9 **"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- 3.10 **"Key Managerial Personnel" (KMP)** means
- The Chief Executive Officer or the Managing Director or the Manager;
  - The Company Secretary
  - Whole-time Director and
  - The Chief Financial Officer
  - 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
  - Such other officer as may be prescribed from time to time
- 3.11 **"Managing Director"** means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.
- Explanation.-For the purposes of this clause, the power to do administrative acts of a routine nature when so authorized by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management;*
- 3.12 **"Nomination and Remuneration Committee" or "Committee"** shall mean a Committee of Board of TalentSprint, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
- 3.13 **"Senior Management"** mean personnel of the company who are members of its core management team (excluding Board of Directors and KMP), including functional heads.

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.

#### 4. INTERPRETATION

In any circumstance where the terms of this Policy differ from any existing or enacted law, rule or regulation governing the Company, the law, rule or regulation will take precedence over the provision of this Policy.

## 5. FACTORS TO BE CONSIDERED UNDER THE REMUNERATION POLICY:

- a. financial condition / health of the Company
- b. average levels of compensation payable to employees in similar ranks,
- c. shall not contain any provisions regarding incentives to take excessive risks over the short term,
- d. revenues, net profit of the Company,
- e. comparable to the industry standards,
- f. role and responsibilities of the Key Management Personnel,
- g. periodic review

**Note:** Chief of Human Resources, will present periodically to the NRC Committee, the Remuneration Policy for the KMP & Senior Management.

## 6. REMUNERATION OF DIRECTORS, KMP AND SENIOR MANAGEMENT:

- i. The remuneration/compensation/commission, etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the approval of the shareholders of the Company and other authorities, wherever required. It shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force.
- ii. The remuneration / compensation / commission to be paid to the KMP will be determined by the Committee and recommended to the Board for approval. For KMP's under Companies Act, 2013, it shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force. For those Senior Management, compensation payable will be determined by the Committee and recommended to the Board for approval.
- iii. The Committee shall lay down compensation policy of the Company from time to time in accordance with market practice and the Company philosophy subject to statutory norms, as may be applicable.
- iv. The annual compensation shall consist of a fixed component and a variable component.
- v. ESOPs and other equity linked instruments shall be offered or provided as part of the compensation for the Key Management Personnel, subject to the compliance of applicable provisions.
- vi. Incentive to take excessive risks over the short term shall be discouraged.



## 7. REMUNERATION CRITERIA FOR THE BOARD

### For Executive Directors:

#### a) Base Compensation (fixed salaries)

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, which may include salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices.

#### b) Variable salary:

The Company may structure any portion of remuneration as variable in the form of commission/bonus or otherwise, linked to rewards on the achievement of Company's and individual performance, fulfilment of specified improvement targets or attainment of certain financial or other objectives set by the Board. The amount payable shall be determined by the Committee/Board, based on performance against pre-determined financial and non-financial metrics.

As per Section 197 of the Companies Act, 2013, the total managerial remuneration payable by the Company to its directors, including Managing Director and Whole Time Director, and its Manager in respect of any financial year shall not exceed 11% of net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act except that the Remuneration shall not be deducted from the gross profits.

The Company may authorize the payment of remuneration up to 5% of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and 10% percent in case of more than one such official. The Company can exceed these limits only by passing a special resolution at the general meeting.

The Company with the approval of the shareholders may authorize the payment of remuneration exceeding 11% of the net profits of the company, subject to the provisions of Schedule V of the Act.

The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Act.

The Whole-time Director/Executive Director shall not be entitled to sitting fees as per the provisions of the Act.

The Whole-time Director/Executive Director shall be governed by HR policies as applicable to the other employees of the Company.

### For Non- Executive Directors/ Independent Directors:

a) The Non-executive directors /Independent Directors of the Company are entitled to sitting fees for attending the meetings of the Board or Committees thereof as decided by the Board, from time to time. However, the Non-executive directors who are employees of company's parent company or NSE Group Company shall not be entitled for any remuneration, commission or sitting fee for attending the board or committee meetings.

b) All fees / compensation, if any paid to non-executive directors, including Independent Directors, shall be fixed by the Board of Directors within the limits as prescribed under the Act and shall require prior approval of shareholders. However, the requirement of obtaining prior approval of shareholders shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Act.

c) The reimbursement of expenses for attending the Board and other Committee meetings including travelling, boarding and lodging expenses, shall be paid by the Company.

- d) Commission may be paid to the Non- Executive Directors/Independent Directors within the limits prescribed under the Act i.e. not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act and with the prior approval of the Shareholders of the Company. The Board shall however, have the authority to determine the manner and proportion in which the amount be distributed amongst the Non- Executive Directors and Independent Directors.

#### **For Key Managerial Personnel (KMP) and Senior Management**

The remuneration of the Key Managerial Personnel and Senior Management shall be determined, after considering the following key factors:

- a) The level and composition of remuneration that should be reasonable and sufficient to attract, retain and motivate directors/executives and should be in line with the industry practice aimed at promoting the short term and long term interests and performance of the company.
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c) Remuneration will involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The appointment along with remuneration of KMP under Companies Act, 2013 shall be approved by the NRC and the Board. The appointment and remuneration of Senior Management shall be approved and recommended by the NRC for approval of the Board. Any subsequent increments to the Senior Management under Companies Act, 2013, shall be approved and recommended by the NRC for approval of the Board.

### **8. REPORTING TO THE BOARD**

The Chairman of the Committee shall report to the Board on material matters arising at the Committee meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval.

### **9. AMENDMENT**

Any amendment or modification in the Companies Act, 2013, and Rules, and any other applicable provision relating to the remuneration / compensation / commission, etc. shall automatically be applicable to this Policy.

### **10. DISCLOSURE**

This policy shall be placed on the Company's website in accordance with provisions of the Companies Act, 2013 and the salient features of the policy, if any, shall be disclosed in the Board's report.

### **11. REVIEW OF THE POLICY**

This Policy shall be reviewed by the Nomination and Remuneration committee periodically, presently once in 2 years, unless an earlier review is required to ensure that it meets the regulatory requirements or latest industry practice or both.