

## NOMINATION AND REMUNERATION POLICY

### PREAMBLE

In terms of Section 178 of the Companies Act, 2013 and the Regulation 19 of the SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015, entered into by the Company with Stock Exchanges, as amended from time to time, the Board of Directors of a listed company shall constitute the Nomination and Remuneration Committee (“Committee”) consisting of three or more Non-Executive Directors out of which not less than two-third shall be independent directors and the Chairperson of the Committee shall be an independent director as well. The Company has already constituted the Committee comprising three members, two of which are Independent Directors.

Further, the Committee is required to devise a policy to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel and other employees. This policy shall also act as a guideline for determining, inter- alia, qualifications, positive attributes and independence of a Director, matters relating to appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

#### a. **OBJECTIVE**

The policy is framed with following key objectives:

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 achievement of 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 formulate the criteria for evaluation of Independent Directors and other Directors on the Board.
6. To devise a policy on diversity of the Board.
7. To determine whether to extend or continue the term of appointment of an Independent Director, on the basis of the report of performance evaluation of Independent Directors.
8. Recommend to the board, all remuneration, in whatever form, payable to senior management.

#### b. **MEETING AND QUORUM**

The meeting of the Committee shall be atleast once in a year. A quorum of the Committee shall be two directors or one-third of the members of the Committee whichever is greater, including one independent director in attendance or as may be prescribed under the prevailing laws.

#### c. **APPLICABILITY**

This policy is applicable to:

1. Directors (Executive, Non-Executive and Independent)
2. Key Managerial Personnel (KMP)
3. Senior Management Personnel

#### d. **DEFINITIONS**

1. “**Act**” means the Companies Act 2013 as amended from time to time.
2. “**Board**” means the Board of Directors of the Company.
3. “**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
4. “**Company**” means Coforge Limited.
5. “**Employee Stock Option**” means the stock options given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for the shares of the company at a future date at a pre-determined price.
6. “**Executive Director**” means the Managing Director and Whole-time Directors of the Company.
7. “**Independent Director**” means a director referred to in Section 149 (6) of the Companies Act, 2013 read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
8. “**Key Managerial Personnel**” or “**KMP**” means Key Managerial Personnel of the Company in terms of the

Companies Act, 2013 and the Rules made thereunder. As per Section 203 of the Companies Act, 2013, the following are whole time Key Managerial Personnel:

- a) Managing Director or Chief Executive Officer or the Manager and in their absence a Whole-time Director
- b) Chief Financial Officer; and
- c) Company Secretary

Any other person as defined under the Act from time to time

9. **“Non-Executive Director”** means the director other than the Executive Director and Independent Director.
10. **“Senior Management Personnel”** for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors. It would comprise all the members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/ Manager (including Chief Executive Officer/Manager, in case they are not part of the Board), all Functional Heads and any other person/positions as defined under the Regulations from time to time Company Secretary & Chief Financial Officer.”

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or SEBI (Listing Obligations & Disclosure) Regulations, 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein.

e. **APPOINTMENT AND REMOVAL OF DIRECTOR, KMP, SENIOR MANAGEMENT PERSONNEL**

**a. Appointment criteria and qualifications**

1. Subject to the applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, other applicable laws, if any, and the Company’s Policy, the Nomination and Remuneration 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 and to recommend to the Board, plans and process for succession for appointments to the Board and senior management.
2. The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director /Manager 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.
4. The Company shall not appoint or continue the directorship of any person as Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the Notice for such motion shall indicate the justification for appointing such person.

**b. Term/Tenure**

**Managing Director/Whole-time Director:**

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

**c. Independent Director:**

1. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each. Such Independent Director after completion of these two terms shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director; provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
2. The appointment of Independent Directors shall be made as per the provisions of the Companies Act, 2013 and SEBI LODR Regulations, as amended from time to time.
3. At the time of appointment of Independent Director it should be ensured that the total number of Boards on which such an Independent Director serves is restricted to:
  - seven listed companies as an Independent Director
  - OR
  - three listed companies as an Independent Director in case such a person is serving as a Whole-time Director of any listed company.
4. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation,

prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates.

**d. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals; but at least once a year.

**e. Removal**

Due to reasons of disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing for removal of a Director, KMP and Senior Management Personnel subject to the provisions and compliance of the applicable laws, rules and regulations.

**f. Retirement**

The Directors shall retire as per the applicable provisions of the Companies Act, 2013. All other KMP and Personnel of Senior Management shall retire as per the prevailing policy of the Company. The Board will have the discretion to retain the Directors and KMP in the same position/remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company.

**POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

**Remuneration to Managing Director/Whole-time Directors:**

1. The Remuneration/ Commission etc. to be paid to Managing Director/Whole-time Directors, shall be governed as per provisions of the Companies Act, 2013 and rules made there under alongwith the SEBI (Listing Obligations & Disclosure Regulations), 2015 or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
2. The Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/ Whole-time Directors.
3. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/ Whole-time Director in accordance with the provisions of the Companies Act, 2013 and if in variance with such provisions, then with the prior approval of the Central Government

**Remuneration to Non-Executive/Independent Directors:**

1. The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Regulations), 2015. The amount of sitting fees shall be such as may be recommended by the Committee and approved by the Board of Directors.
2. All the remuneration of the Non-Executive/ Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under and the SEBI (Listing Obligations & Disclosure Regulations), 2015 or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Committee and approved by the Board of Directors or shareholders as the case may be.
3. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company. The Committee shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).
4. Any remuneration paid to Non-Executive/ Independent Directors for services rendered which are of professional nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The Services are rendered by such Director in his capacity as the professional;
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**Remuneration to Key Managerial Personnel and Senior Management:**

1. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the Company's Policy.
2. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
3. The Committee shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
4. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
5. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**Other General Provisions:**

1. The CEO/CPO shall make Annual presentation of the performance and compensation for the other KMP and Senior Management Personnel. The proposed compensation policy for these executives for the forthcoming year will also be presented. The Committee shall discuss the details and give its inputs to help the CEO to finalise the policy for adoption by the Company.
2. The CEO along with CPO shall constitute an HR Steering Committee for reviewing the remuneration of all other employees.
3. Where any insurance is taken by the Company on behalf of its Whole-time Directors, 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.

**Amendments**

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) and circular(s) etc.