

VINSYS IT SERVICES INDIA LIMITED
(formerly known as Vinsys IT Services India Private Limited)
CIN L72200PN2008PLC131274

Nomination and Remuneration Policy

Introduction:

This Nomination & Remuneration Policy (“Policy”) of Vinsys IT Services India Limited (“Vinsys” or “Company”) is formulated under the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) and other applicable laws (hereinafter referred to as the “Applicable Laws”).

Purpose and Objective:

- To lay down criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (Executive and Non-Executive) of the Company.
- To recommend candidates for the appointment of Directors, Key Managerial Personnels (KMPs) and Senior Management.
- To establish and review succession plans of the Board of Directors of the Company, KMP and Senior Management.
- To lay down criteria for appointment and removal of Directors and KMP and Senior Management.
- To recommend Policy relating to the remuneration of the Directors, KMP and Senior Management to the Board:
 - To review and approve corporate goals and objectives relevant to the compensation of the Whole Time Directors, evaluating their performance in light of those goals and objectives and either as a Committee or together with the other Independent Directors (as directed by the Board).
 - To determine and approve Whole Time Directors compensation based on this evaluation, making recommendation to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity based plans that are subject to the approval of the Board.

Definitions:

- **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- **Board** means the Board of Directors of the Company.
- **Directors** means Directors of the Company.
- **Policy** or this Policy means the Nomination and Remuneration Policy.
- **Key Managerial Personnel (KMP)** means
 - Chief Executive Officer or Managing Director or the Manager;
 - Whole time Director;
 - Chief Financial Officer;
 - Company Secretary;
 - Such other officers as may be prescribed.
- **Senior Management** means officers / personnel of the Company and includes:
 - KMP.
 - One level below the Chief Executive Officer and Managing Director who are members of the core management and functional head.
 - Any other officers as determined by the Committee and the Board from time to time.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but

defined in the Act and Listing Regulations as may be amended from time to time shall have the same meaning respectively assigned to them therein.

Constitution of the Committee and formulation of Policy:

The Board has constituted the Committee of the Board on 17 May 2023. The composition of the Committee is in line with the requirements under the Applicable Laws. This Policy is integral to the functioning of the Committee.

Role of the Committee:

The Committee shall:

- Identify persons who are qualified to become Directors, KMP and Senior Management who may be appointed in accordance with the criteria laid down;
- Recommend to the Board, the appointment and removal of Directors and KMP and shall carry out evaluation of every Director's performance;
- Formulate the criteria for determining qualification, positive attributes and independence of a Director;
- Recommend to the Board a Policy, relating to the remuneration of the Directors and KMP and other employees;
- To consider and determine the Policy based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and KMP and such other factors as the Committee shall deem appropriate;
- Make independent / discreet references, where necessary, well in time to verify the accuracy of the information furnished by the applicant.

Membership:

- Members of the Committee shall be appointed by the Board with a minimum of three Non-Executive Directors out of which not less than one-half shall be Independent Director.
- The Chairperson of the Committee shall be elected from the members amongst themselves who shall be an Independent Director. In the absence of the Committee's Chairperson, the remaining members present shall elect one of themselves to chair the meeting.
- Only members of the Committee have the right to attend and vote at the Committee meetings and any other person required to attend the meeting will have no right to vote.
- The Chairperson of the Committee or in his absence, or any member of the Committee authorized by him in this behalf shall attend the general meetings of the Company.

Minutes of the Committee Meetings:

Proceedings of all the meetings are recorded and signed by the Chairman of the said meeting or by the Chairman of the next succeeding meeting. Minutes of the Committee meetings are tabled at the meetings of the Board and entered in the minutes binder.

Committee Members' interests:

1. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Frequency of the meetings:

The Committee shall meet at such times so as to enable it to carry out its powers, functions, roles and responsibilities.

Policy for the appointment and removal of a Director and Key Managerial Personnel:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for the appointment as a Director and KMP and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) For every appointment of an independent director, the 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 for such role shall meet the description.
- d) The Company shall appoint or continue the employment of a person as Managing Director / Whole-Time Director and Non-Executive Director who has not attained the maximum age of retirement as prescribed under Applicable Laws.
- e) A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board.
- f) The Company shall not appoint any resigning Independent Director, as Whole Time Director, unless a period of one year has elapsed from the date of resignation as an Independent Director.

Criteria for remuneration to Directors, Key Managerial Personnel and Senior Management:

- a) **Responsibility and Accountability:** The roles and responsibilities towards the organization and the position of the Director and Key Managerial Personnel shall be formerly evaluated to fix the remuneration.
- b) **Flexibility:** The remuneration payable shall be flexible to meet both the needs of individuals and those of the Company while complying with relevant tax and other legislation.
- c) **Performance:** The Committee shall while determining remuneration ensure that the performance of a Director and KMP and their commitment and efficiency is constructive and beneficial in generating commercial for the Company.
- d) **Affordability and Sustainability:** The remuneration payable is affordable and on a sustainable basis.
- e) **Transparency:** The process of remuneration shall be transparent, conducted in good faith and in accordance with the appropriate levels of confidentiality.

Remuneration to Directors and Key Managerial Personnel

The Committee shall ensure that the remuneration payable to Directors and KMP shall be paid after

complying with the provisions of Section 197 and Schedule V and such other applicable provisions of the Act.

Term / Tenure:

a) 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 re-appointment shall be made earlier than one year before the expiry of the term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director 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.

Evaluation:

For every appointment of an Independent Director, the 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. To identify suitable candidates, the Committee may: (i) use the services of external agencies, if required; (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and consider the time commitments of the candidates.

The Committee shall carry out evaluation of performance of every Director and KMP at regular interval (annually).

Retirement:

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

Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and / or Regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and KMP, subject to the provisions and compliance of the said Act, Rules and regulations.

Policy relating to the remuneration of the Whole Time Director:

General

- a) The remuneration / compensation / commission, etc. to the Whole Time Director and KMP will be determined by the Committee and recommended to the Board, for approval. The remuneration / compensation / commission, etc. shall be subject to the prior / post approval of the shareholders of the Company, wherever required.
- b) In determining the remuneration of Whole Time Director and KMP, the Committee should consider among others:
 - Conducting benchmarking with companies of similar type on the remuneration package;
 - 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.
 - Clear linkage of remuneration and appropriate performance benchmarking.
 - Remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objects to the working of the Company and its goals.
- c) Increments including bonuses, incentive and other rewards to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be approved by the shareholders of the Company and / or the Central Government, wherever required.

Remuneration to Non-Executive / Independent Director:

Non-Executive / Independent Director may receive remuneration by way of sitting fees for attending the meetings of the Board and / or Committees thereof. Provided that the amount of fees shall not exceed Rs. 25,000 for every meeting of the Board and its Committees and maximum upto Rs. 1,00,000 per annum or such amount as may be prescribed by the Central Government from time to time.

Directors and Officers Liability Insurance:

The Company may take Directors and Officers liability insurance or such insurance of like nature for indemnifying any of the Directors or its KMP against any liability in respect of any negligence, default, misfeasance, breach of duty or trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of remuneration payable to such personnel. Provided that if such person is proved to be guilty, the premium paid shall be treated as part of remuneration.

Amendment:

Based on the recommendation of the Committee, the Board reserves the right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate or in accordance with any amendment to the applicable provisions of the Act, including Rules thereof and / or the provisions of the Listing Regulations.