

VEDANG CELLULAR SERVICES PRIVATE LIMITED

Adopted by the Board of Directors at their meeting held on October 25, 2019

1. INTRODUCTION:

This Nomination cum Remuneration Policy (“**Policy**”) has been formulated pursuant to Section 178 of the Companies Act, 2013 read with applicable rules made thereunder (collectively, the “**Act**”).

The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), senior management (as defined below) and other employees of the Company and to harmonize the aspirations of human resources with the goals of the Company.

2. OBJECTIVE AND PURPOSE:

The objectives and purpose of this Policy are:

- a) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company (“Director”); and
- b) To recommend policy relating to the remuneration of the Directors, KMP and Senior Management to the Board of Directors of the Company (“Board”). This includes reviewing and approving corporate goals and objectives relevant to the compensation of the executive 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), determine and approve executive Directors’ compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the “Nomination and Remuneration Committee” (“**Committee**”) of the Board in line with the requirements under the Companies Act, 2013 (“**Act**”). This Policy and the Nomination and Remuneration Committee Charter are integral to the functioning of the Nomination and Remuneration Committee and are to be read together.

The Board has authority to reconstitute this Committee from time to time.

4. DEFINITIONS

- a) ‘Board’ means Board of Directors of the Company.
- b) ‘Directors’ means directors of the Company.
- c) ‘Committee’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act
- d) ‘Company’ means “VEDANG CELLULAR SERVICES PRIVATE LIMITED”.
- e) ‘Independent Director’ means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules
- f) ‘Key Managerial Personnel (KMP)’ means
 - i) the Managing Director or Chief Executive Officer or manager
 - ii) Whole-time Director
 - iii) the Company Secretary;
 - iv) the Chief Financial Officer; and
 - v) Any other person as defined under the Companies Act, 2013 from time to time

- g) “Senior Management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.

5. GENERAL

This Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and removal of Directors, KMP and Senior Management; and

Part – C covers remuneration for Directors, KMP and Senior Management

Part – A: Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt with by the Committee:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Identify persons who qualify to become directors or 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.;
- d) Analysing, monitoring and reviewing various human resource and compensation matters;
- e) Determining our Company’s policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment, and determining remuneration packages of such Directors;
- f) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- g) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- h) Perform such functions as are required to be performed by the compensation committee;
- i) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors; and
- j) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.
- k) Implementation of decisions regarding allotment of ESOP Shares; and
- l) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

PART – B: Policy for appointment and removal of Directors, KMP and Senior Management

(a) Appointment criteria and qualifications

1. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the position.
2. A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director / executive Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee 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 as the case may be.
5. 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 of Directors of the Company.

(b) Term / Tenure

1. Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO 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.

2. 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. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to applicable Acts or Rules in force.

(c) Removal

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

(d) Retirement

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

PART – C Policy relating to the remuneration for Whole-time Directors, KMP and Senior Management

a) General

1. The remuneration / compensation / commission/ Stock incentives etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Whole-time Director.
4. Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management 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.

b) Remuneration to other employees

The compensation for other employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Chief Executive Officer and Chief Operating Officer, in consultation with the Head- HR.

c) Minimum remuneration to Whole-time Directors

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013.

d) Remuneration to Independent Directors

- i. The Company shall have such number of Independent Director as prescribed under the applicable provisions of the Act.
- ii. Remuneration: The remuneration payable to each Independent Director is based on the remuneration structure as recommended by the Nomination and Remuneration Committee and approved by the Board, and is revised from time to time, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.
- iii. Stock incentive: The Independent Directors shall not be entitled to any stock incentive of the Company.

- iv. The remuneration to the Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
- v. Sitting Fees: The Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof as approved by the Board. Provided that the amount of such fees shall not exceed the amount prescribed under the Companies Act, 2013 and rules/notification applicable thereunder.
- vi. Commission: The Company may pay the Commission to Independent Directors within the limit approved by shareholders and subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

6. POLICY REVIEW

- a) This Policy is framed based on the provisions of the Companies Act, 2013 and rules made thereunder.
- b) In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other rules which makes any of the provisions in the policy inconsistent with the Act, then the provisions of the Act would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- c) This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in Act or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors authorized in this regard for their approval.