

SOFTVAN LIMITED

Nomination and Remuneration Policy

PURPOSE

The purpose of this policy is to enhance integrity, ethics & transparency in governance of the **Softvan Limited** (“Company”) and thereby reinforcing the trust and confidence reposed in the Management of the Company by their shareholders respectively along with other stakeholders.

INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013, and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of every listed entity shall constitute the Nomination and Remuneration Committee.

The Board of Directors of the Company (“the Board”) therefore, at their meeting held on 30th March constituted the committee to be known as the Nomination and Remuneration Committee consisting of three or more non- executive directors out of which not less than two-third are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or non- executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

In terms of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee shall inter alia recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

Accordingly, this Nomination and Remuneration Policy is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

DEFINITIONS

- a) “**Act**” means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- b) “**Board**” means Board of Directors of the Company.
- c) “**Company**” means **Softvan Limited**.
- d) “**Director**” means a Director appointed to the Board of the Company. The term Director shall mean and include Whole-time Director & Non-Executive Directors (including Independent Directors) of the Company.

- e) **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- f) **“Key Managerial Personnel” (KMP)** defined under Companies Act, 2013, as amended from time to time.
Note: As per Section 2(51) Key Managerial Personnel means
- i. Managing Director or Chief Executive Officer or manager
 - ii. Company Secretary;
 - iii. Whole-time Director
 - iv. Chief Financial Officer;
 - v. 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
 - vi. Any other person as defined under the Companies Act, 2013 from time to time.
- g) **“Listing Regulations”** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- h) **“Nomination and Remuneration Committee or Committee”** shall mean a Committee of Board of Directors of the Company.
- i) **“Remuneration Policy or This Policy”** means, “Nomination and Remuneration Policy.”
- j) **“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.
- k) **“Senior Management”** shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all 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) and shall specifically include company secretary and chief financial officer.

INTERPRETATION

Terms that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other Act/Regulation as may be in force and as and when it is amended from time to time.

SCOPE

The Remuneration Policy applies to the Company's senior management, including its Key Managerial Person and Board of Directors.

OBJECTIVES

The Key Objectives of the policy and the Committee would be:

1. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
2. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
3. To guide and recommend the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management
4. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
5. To formulate criteria for evaluation of performance of Independent Directors, the Board as a whole and the each Director on an Individual Basis.

GUIDING PRINCIPLES

The Policy ensures that:

1. The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person;
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
3. The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets; and
4. 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.

ROLE AND POWERS OF THE COMMITTEE

1. Recommend to the Board of Directors, appointment and removal of Directors, KMP and Senior Management.
 - Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
 - Ensure that the person(s) identified as aforesaid 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.

- Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.
- Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.
- The Committee shall ensure compliance with provisions of NSE and BSE circular dated June 20, 2018, while recommending any director for appointment.
- The Committee shall not recommend appointment of and recommend retirement of any person as directorship as a non-executive 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.
- The Committee shall ensure that approval of shareholders for appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier:

Provided that the appointment or a re-appointment of a person, including as a managing director or a whole-time director or a manager, who was earlier rejected by the shareholders at a general meeting, shall be done only with the prior approval of the shareholders:

Provided further that for considering the appointment or re-appointment of such a person earlier rejected by the shareholders, a detailed explanation and justification for recommending such a person for appointment or re-appointment shall be given by the Nomination and Remuneration Committee to the Board and Shareholders in the explanatory statement annexed to the notice for such motion.

- The Committee shall ensure that the appointment, re-appointment or removal of an independent director of the Company, shall be subject to the approval of shareholders by way of a special resolution.

Provided that where a special resolution for the appointment of an independent director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an independent director shall be deemed to have been made. (“deemed appointment by resolution by requisite majority”)

Provided further that an independent director appointed under the aforementioned proviso shall be removed only if the votes cast in favour of the resolution proposing the removal exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution.

- 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 seven listed companies as an Independent Director and three listed companies as an Independent Director in case

such person is serving as a Whole-time Director/ Managing Director of a listed company or such other number as may be prescribed under the Act.

- Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.
- The Committee shall ensure that no director is holding office in capacity of director or as member/ Chairperson of the committee in other companies exceeding the limit as prescribed by Companies Act, 2013 or Listing Regulations or any other law for the time being in force.

2. Review of term/ tenure of Directors, KMP and Senior Management, with special reference to:

a. Managing Director/ Whole-time Director:

- The Committee shall ensure that the Company appoints or re-appoints any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time and no re-appointment is be made earlier than one year before the expiry of term.
- A person who has resigned as Independent Director from a listed entity shall not be appointed as Executive/whole time director on the board of Company, its holding, subsidiary or associate company or on board of company belonging to promoter group for a period of one year. [Reg 25(11)]

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 a cooling off period of three years after ceasing to become an Independent Director consequent to expiry of 2nd term of his/her appointment. 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.

3. Removal:

- Due to reasons for any disqualification mentioned in the Act, Policies of the Company, and rules made thereunder or under any other applicable Act, rules and regulations, 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, rules and regulations.
- Where an Independent director is appointed by way of deemed appointment by resolution

by requisite majority, then he/ she shall be removed only if the votes cast in favour of the resolution proposing the removal exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution.

4. **Retirement:**

- The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013, subject to applicable laws, regulations, rules, circulars, etc. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

5. **Recommend to the Board of Directors, the remuneration of Directors, KMP and Senior Management.**

a. **General:**

- The Remuneration/ Compensation/ Commission etc. to be paid to Director/ Whole-time Directors/ KMP/ Senior Management etc. shall be governed as per the provisions of Section 149, 197 read with Schedule V and such other applicable provisions of the Companies Act, 2013 and Rules made there under or any other enactment for the time being in force, and pursuant to Regulation 17 & 19 and other such applicable regulations of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.
- Subject to the applicable provisions of law for the time being in force and appropriate consents and permissions, the Nomination and Remuneration Committee of the Board shall have power to fix remuneration and modify/ amend the same within the overall limits of Section 197 read with Schedule V of the Act, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 & Companies Act, 2013 and rules made thereunder. The remuneration may be decided as fixed and/or variable or combination of both.
- The remuneration/compensation/commission etc. to the Directors, KMP and Senior Management Personnel 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 and Central Government, wherever required;
- The remuneration and commission to be paid to the Directors shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act;
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director/Whole-time Director;
- Where any insurance is taken by the Company on behalf of its Managing Director, 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.

b. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management:

➤ Fixed pay:

The Whole-time / Executive / Managing Director, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale 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/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

➤ Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Managing Director in accordance with the provisions of Schedule V of the Act and Rules made thereunder subject to the passing of special resolution by the members of the Company as and when applicable, and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

➤ Provisions for excess remuneration:

If any Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act 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.

c. Remuneration to Non- Executive / Independent Director:

➤ Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

An Independent Director may receive remuneration by way of fee provided under sub-section (5) of section 197 of the Act, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

Provided that if a company has no profits or its profits are inadequate, an independent director may receive remuneration, exclusive of any fees payable under sub-section (5) of section 197 of the Act, in accordance with the provisions of Schedule V of the Act.

➤ Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees to Independent Directors shall be subject to ceiling/ limits as provided under Act and rules made there under or any other enactment for the time being in force.

➤ Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limits computed as per the applicable provisions of the Act.

➤ Stock Options:

An Independent Director shall not be entitled to any stock option of the Company. They shall not be eligible to participate in any share based payment schemes of the Company.

d. Remuneration in accordance with Listing Regulations.

- The fees or compensation payable to Executive directors who are Promoters or members of the Promoter group, shall be subject to the approval of the Shareholders by special resolution in general meeting, if-
- a) the annual remuneration payable to such executive director exceeds INR 5 crores or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
 - b) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

Provided that the approval of the shareholders shall be valid only till the expiry of the term of such director.

- Approval of shareholders by way of special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive Director exceeds 50% of total remuneration payable to all non-executive Directors, giving details of remuneration thereof. 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.

DUTIES OF THE COMMITTEE

1. Nomination Duties

The duties of the Committee in relation to nomination matters include:

- Shall 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;
- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the guidelines provided under the Act. The letter of appointment / re- appointment to be issued to the Independent Director shall inter alia also set out the matters as stated in Schedule IV of the Companies Act, 2013 and shall be

placed on the website of the Company;

- Identifying and recommending Directors who are to be put forward for retirement by rotation;
- 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.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract. Whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent Directors;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.
- NRC shall be authorized to undertake any action / step required to be taken to comply with the requirements prescribed under the Applicable Laws.

2. Remuneration Duties:

The duties of the Committee in relation to remuneration matters include:

- To consider and determine the Remuneration, 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 such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

- To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- Subject to the provisions of the law, to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- To consider taking up Professional indemnity and liability insurance for Directors and Senior Management, if required.
- To consider any other matters as may be requested by the Board.

MEMBERSHIP OF THE COMMITTEE

1. The Committee shall consist of a minimum 3 non-executive directors, two-third of them being independent.
2. All Members of the committee shall be non-executive directors. Provided that the chairperson of the Company, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.
3. Quorum shall either be two members or one-third of the members of the audit committee, whichever is greater, with at least one independent directors.
4. Membership of the Committee shall be disclosed in the Annual Report.
5. Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN OF THE COMMITTEE

1. Chairman of the Committee shall be an Independent Director;
2. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;
3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;
4. Chairman of the Nomination and Remuneration Committee meeting should be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

The nomination and remuneration committee should meet at-least once or at as frequently as determined by the board of directors, with a maximum gap of 120 days between any two successive meetings.

COMMITTEE MEMBERS' INTERESTS

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.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

COMPANY SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

VOTING

1. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
2. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be entered in minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

IMPLEMENTATION

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

Requirements with respect to quorum, notice of meeting, documentation, etc. shall be in conformity with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government, unless expressly stated otherwise.

The Committee may Delegate any of its powers to one or more of its members.

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. The Company shall reserve the rights to make alterations/ amendments to the Policy from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, 2013 and rules made there under, the Listing Agreements, the Securities and Exchange Board of India Act, 1992 and rules/ regulations/ guidelines made there under, the Memorandum and Articles of Association of the Company or as may be otherwise prescribed by the Board from time to time.

AMENDMENTS IN THE LAW

Any subsequent amendment/modification in the listing agreement and/or other applicable laws in this regard shall automatically apply to this Policy. In case of any amendments in the provisions of the Act, which makes any of the provisions/ clauses in the Policy inconsistent with the Act, then the provisions of the Act would prevail over the Policy and the Policy shall stand amended effective from date of such amendments, as notified from time to time.

(Adopted as on 31st March, 2025, Effective from the date of listing on stock exchange)