



***Succession Planning, Nomination &
Remuneration Policy
For Board of Directors Senior Management Personnel &
Key Management Personnel***

Pursuant to Regulation 17 (4) of SEBI (Listing Obligations & Disclosure Requirements) 2015

And as part of Disclosures on Corporate Governance (Schedule V, Part II, Section II)

Draft Ver 1.0 and Date 10-April-2016

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1. Objective

The objective of this Policy is to clearly lay down the guiding principles in relation to compliance under the Regulation 17 (4) of SEBI (Listing Obligations & Disclosure Requirements) 2015, in:

- 1.1. Identifying and nominating suitable candidates for the Board’s approval to fill in the vacancies which arise in the Board of the company from time to time.
- 1.2. Identifying key job incumbent in Key Management Personnel (KMP) and Senior Management Personnel (SMP) positions and recommend whether the concerned individual be given any extension in service or replace the incumbent individual with an identified internal candidate or hire an external candidate.
- 1.3. Ensuring the systematic and long term development of individuals in the KMP and SMP level to replace when the need arises due to the death, disability, retirement or any other unexpected occurrence.
- 1.4. Clearly laying down the guidelines in relation to compliance under Section 134 (3) of the Companies Act, 2013, in the areas of Directors appointment and their remuneration, criteria for determining their qualifications, their positive attributes and independence Directors and other matters as provided under the said Section.

2. Scope & Coverage

- 2.1. The succession planning of Board of Directors Key Management Personnel (KMP) and identified Senior Management Personnel (i.e. Employees in Grade 14, Grade 16 and Grade 18) in the company.
- 2.2. Remuneration policy for Directors , KMPs and identified Senior Management Personnel

3. Appointment to the Board

- 3.1. The Nomination & Remuneration Committee (NRC) of the Board is responsible to ensure that the Board has an appropriate mix of skills, experience and expertise.
- 3.2. As part of the Board and Committee performance evaluation process, the Nomination Committee reviews the size and composition of the Board, whether any changes are required, performance and contribution of Individual Directors and impact of the expected changes to the Board.
- 3.3. As and when any change is suggested to the Board, the NRC shall apply a due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as a Director of the Company based on his/her qualification, experience & track record and accordingly any appointment or re-appointment of a Director shall be subject to prior approval by NRC of the Company.
- 3.4. Appointment of Independent Directors shall be subject to approval by the Shareholders of the Company and also governed by the provisions of the Companies Act, 2013 and Listing Agreement.

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3.5. The tenure of Independent Directors shall not be for more than two terms of five years each. However, the Company would be at liberty to disengage a non-executive Independent Director earlier, subject to compliance of relevant provisions of the Companies Act, 2013.

4. Succession Planning for appointment to the Board of Directors and Senior Management Personnel (SMP) and Key Management Personnel (KMP)

- 4.1. The Managing Director & Group CEO shall periodically review and consider the list of SMP / KMP due for retirement / vacancies arising out of attrition during the year.
- 4.2. The Managing Director & Group CEO shall also consider the new vacancies that may arise due to the business needs/restructuring of functions/departments.
- 4.3. In case if an SMP / KMP is due for retirement, the Managing Director & Group CEO will review the possibility of an extension of such personnel on basis of the health, age and the person's willingness to continue for an extended term. In case, if an extension is possible, such case is forwarded to the NRC of the Board for its approval.
- 4.4. In case if such position is to be filled through internally or externally, the Managing Director & Group CEO will evaluate the suitable candidates for the said positions internally as well as externally on basis of the criteria such as job role, experience, leadership qualities, competencies, track record etc.
- 4.5. Once the identification process is completed by Managing Director & Group CEO, the shortlisted candidates are further referred to the NRC of the Board for a final evaluation.
- 4.6. The recommendation of the NRC shall be placed before the Board for approval.
- 4.7. The Managing Director & Group CEO and Head – Human Resources shall from time to time identify high potential employees who merit faster career progression to position of higher responsibility and give them adequate skill development and training requirements for their successful career progression.
- 4.8. In the event of any unexpected occurrence in respect of any member in the SMP / KMP group, the next person as per the organization chart (as far as possible) shall take interim charge of the position, pending the formal appointment in terms of the succession plan.

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5. Key Management Personnel Identified

5.1. The following Executives are defined as Key Management Personnel (KMP), under this Policy :

- Managing Director / Chief Executive Officer/Executive Director
- Chief Financial Officer
- Company Secretary

6. Remuneration Approach

- 6.1. While fixing the remuneration for Directors, SMP and KMP, the Company shall consider industry benchmarks and the competence of the persons and ensure that the level and composition of the remuneration is reasonable and sufficient to attract, retain and motivate them.
- 6.2. The sitting fees for the Independent Directors is fixed at Rs.100,000/- (Rupees One Lakh only) per meeting of the Board and Rs.50,000/- (Rupees Fifty thousand only) per meeting, if the Director is also a member of the Audit Committee and attends the same. No fees will be paid for attending any other Committee meetings.
- 6.3. The Independent Directors will also be paid remuneration by way of Commission based on the Net Profits of the Company, subject to a maximum of one percent (1%) of the Net Profits of the Company, as may be approved by the Board and the Shareholders, from time to time.
- 6.4. In addition to the remuneration, the Company shall make arrangements or reimburse the actual cost of travel, hotel and other incidental expenses of the Independent Directors for their attending the Board or Committee Meetings of the Company.
- 6.5. The compensation structure of KMPs will be benchmarked with industry salary trends and will have components of fixed/base salary as well as variable pay. The variable pay will be linked to business performance parameters, as separately outlined in a Variable Pay Plan document.
- 6.6. Promoters, Founder-Directors and Non-Executive Independent Directors of the Company will not be eligible for ESOPs.

7. Criteria for determining Qualifications

- 7.1. Non-Executive Independent Directors are expected to bring in objectivity and independency during Board deliberations around the Company's Strategic approach, performance and risk management. They must also ensure very high standards of financial probity and corporate governance.
- 7.2. The Independent Directors are also expected to commit and allocate sufficient time to meet the expectations of their role as Non-Executive Independent Directors, to the satisfaction of the Board.

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- 7.3. Conflict of Interest : The Independent Directors shall not involve themselves in situations which directly or indirectly may conflict with the interests of the Company. It is accepted and acknowledged that they may have business interests, other than those of the Company. As a pre-condition to their appointment as Independent Directors, they shall be required to declare any such conflicts to the Board, in writing in the prescribed format, at the time of their appointment.
- 7.4. Each Independent Director will be issued with clear guidelines on their roles, duties and responsibilities as Independent Directors. The key elements in which every Independent Director will be expected to contribute are : Strategy, Performance, Risk, People, Reporting and Compliance.
- 7.5. The functions and responsibilities of Independent Directors shall be to :
- review the Company’s strategy, annual financial plan and monitor the performance
 - review Management performance and compensation
 - review and decide on succession planning of Executive Officers of the Company
 - advice and counsel the Management
 - monitor and manage potential conflicts of interest of the Management
 - oversee and ensure the integrity of financial information and legal compliance
- 7.6. Confidentiality : The Independent Directors will be required to maintain utmost confidentiality of all confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information acquired by them during their appointment with the Company and should not disclose them, either during their appointment or after their cessation as Director (by whatever means) to third parties, without prior clearance from the Board/Managing Director and Group CEO of the Company, unless required by law.
- 7.7. The Independent Directors should also comply with the Company’s Code of Conduct for Directors, which relates to non-disclosure of price sensitive information and non-dealing in the securities of the Company. Consequently, they should avoid making any statements or performing any transaction that might result in breach of these requirements without prior clearance from the Chairman or the Secretary.
- 7.8. Induction/Training of the Board : Every new Independent Director of the Board needs to attend an Orientation Program organized by the Company. Presentations will be made by Executive Directors/Senior Managerial personnel thereat, providing an overview of strategy, operations and functions of the Company. It will also provide an opportunity to the Directors to interact with senior leadership of the Company and help them to get ground level information on the Company’s Products offering, Markets, Software Delivery, Organization Structure, Finance, HR, Technology, Quality facilities and Risk Management.

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- 7.9. Dealing in Securities & Code of Conduct : In order to uphold ethical standards of integrity and probity, the Independent Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed. Further, the Directors, being designated Officers of the Company for the purpose of Insider Trading guidelines, are required to pre-clear all major trades (buy/sell/gift) from the Managing Director and Group CEO of the Company and the Compliance Officer. They are also required to comply with the Company's Code of Business Conduct and Ethics Policy (COBCE) and Code of Conduct for prevention of Insider Trading.
- 7.10. Evaluation : The Company has adopted a policy on Board Evaluation as provided under Companies Act, 2013 and as per the listing agreement, which entails an annual evaluation of the performance of the Board as a whole, the Board Committees and Directors. Thus, the Independent Directors' appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.
- 7.11. Insurance : The Company will cover the Independent Directors under a Directors' & Officers' Liability Insurance Policy, with adequate cover, and maintain the same for the full term of the Independent Directors.

8. Amendment History

Ver #	Date	Amendment History	Remarks
1.0	10-Apr-2016	Succession Planning, Nomination & Remuneration Policy For Directors, Senior Management Personnel & Key Management Personnel	-
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