

NIIT Ltd.

NOMINATION AND REMUNERATION POLICY

NIIT LIMITED

Version 1.2

*Nomination and
Remuneration Policy
w.e.f. April 1, 2019*

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VERSION HISTORY

<u>VER. NO.</u>	<u>PREPARED BY</u>	<u>APPROVED BY</u>	<u>RELEASE DATE</u>	<u>REASONS FOR NEW RELEASE</u>
<u>1.1</u>	<u>Legal Service Organisation</u>	<u>Board of Directors</u>	<u>16.01.2015</u>	<u>Baseline Version</u>
<u>1.2</u>	<u>Legal Service Organisation</u>	<u>Board of Directors</u>	<u>29.03.2019</u>	<u>Updation</u>

1. PREAMBLE

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, entered into by the Company with Stock Exchanges, as amended from time to time, the Board of Directors of a listed company shall constitute a Nomination and Remuneration Committee ("Committee"). ~~The Company has already constituted the Committee comprising three members, all of whom are Independent Directors.~~

Further, the Committee is required to devise a ~~policy~~Policy to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees. This ~~policy~~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 Personnel and other employees.

2. OBJECTIVE

~~This policy~~

Objectives of the Policy are is framed:

1. to lay down criteria and terms and conditions with following objectives: regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed as Key Managerial Personnel and Senior Management Personnel.
2. ~~That the~~to ensure appropriate level and composition of remuneration ~~is reasonable and sufficient~~ to attract, retain and motivate ~~directors~~Directors, Key Managerial Personnel and Senior Management Personnel of the quality required to run the Company successfully.
3. ~~That the~~to ensure clear relationship of remuneration to performance ~~is clear~~ and ~~meets~~ appropriate performance benchmarks.

4. ~~That to ensure that~~ the remuneration to Directors, Key Managerial Personnel (KMP), ~~and Senior Management Personnel~~, 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.
5. ~~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.~~
- 6.5. ~~To~~ formulate the criteria for evaluation of Independent Directors and ~~other Directors on the Board of Directors.~~

APPLICABILITY

This policy is applicable to:

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

3. DEFINITIONS

- i) “**Act**” means the Companies Act 2013 as amended from time to time.
- ii) “**Board**” means the Board of Directors of the Company.
- iii) “**Company**” means NIIT Limited.
- iv) “**Employees Stock Option**” means the stock options given to the directors, (other than Promoter Directors/ independent Directors), officers or employees of ~~a company or of its holding company~~ the 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.

- v) **“Executive Director”** means the Managing Director and Whole-time Directors of the Company.
- vi) **“Independent Director”** means a director referred to ~~in Section 149 (6) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.~~Regulations.as amended from time to time
- vii) **“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) Company Secretary; and
 - c) Chief Financial Officer
- viii) **“Listing Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- ~~viii)~~ix) **“Non-Executive Director”** means the director other than the Executive Director and Independent Director.
- ~~ix)~~x) **“Senior Management Personnel” or “SMP”** for this purpose shall mean employees of the ~~company~~Company who are members of its core management team excluding Board of Directors. It would comprise all members of core management one level below Chief Executive Officer/Managing Director/Whole Time Director/Manager (including CEO/Manager who are not on the executive director(s),Board), including the functional ~~/vertical~~ heads, Chief Financial Officer and Company Secretary.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNELSMP

4.i. Appointment criteria and qualifications

- a) Subject to the applicable provisions of the Companies Act, 2013, the Listing ~~Agreement~~Regulations, other applicable laws, if any, and NIIT 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~~SMP level and recommend to the Board his/her appointment.
- b) The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position, in addition to compliance of any other statutory criteria.
- c) The Company ~~shall not~~may 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 resolutions~~subject to compliance of statutory requirements.
- d) The Company may appoint or continue the appointment of any person as non-executive director who has attained the age of seventy five years subject to compliance of statutory requirements.

ii. Term / Tenure**2.****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 term.

b) Independent Director:

- i) 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.
- ii) 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 :
 - (a) seven listed companies as an Independent Director; OR
 - (b) three listed companies as an Independent Director in case such a person is serving as a Whole-time Director of any listed company;

iii) No person shall be appointed as an alternate director for an independent director of the Company.

3.iii. Evaluation

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

4.iv. 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~~SMP subject to the provisions and compliance of the applicable laws, rules and regulations.

5.v. Retirement

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

5. PROVISIONS RELATING TO REMUNERATION OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNELSMP

1. The remuneration / compensation / profit-linked commission etc. to the Whole-time Director, Non-Executive Directors and Independent Directors will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / profit-linked commission etc. shall be in accordance with the percentage / slabs / conditions laid down in the Act, Listing Regulations and shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.
2. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director(s) in accordance with the provisions of the Companies Act, 2013 ~~and if in variance with such or any other applicable statutory provisions, then with the prior approval of the Central Government.~~
3. The CEO/ ~~CPO~~Human Resource Head (or equivalent designated official) shall make Annual presentation of the performance and compensation for ~~the other~~ KMP and ~~Senior Management Personnel~~SMP. The proposed compensation

- policy for these executives and other employees for the –forthcoming year will also be presented. The Committee shall discuss the details and give its inputs to help the MD/CEO to finalise the policy for adoption by the Company.
4. ~~The~~Managing Director, CEO along with ~~GPO~~Human Resource Head (or equivalent designated official) shall constitute an HR Steering Committee for reviewing the remuneration of all other employees.
 5. 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.
 6. Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. Only such employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Committee will be granted Employee Stock Options.

6. 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.