



DIGINOTICE LIMITED

NOMINATION AND REMUNERATION POLICY

[As per Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, 2015]

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INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

The Nomination and Remuneration Policy of the Company 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) **“Board”** means Board of Directors of the Company.
- b) **“Company”** means **“DIGINOTICE LIMITED”**
- c) **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations.
- d) **“Key Managerial Personnel” (KMP)** means
 - (i) Chief Executive Officer or the Managing Director or the Manager,
 - (ii) Company Secretary,
 - (iii) Whole-time Director,
 - (iv) Chief Financial Officer and
 - (v) Such other officer as may be prescribed.
- e) **“Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and applicable Listing Regulations.
- f) **“Policy or This Policy”** means, “Nomination and Remuneration Policy.”
- g) **“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.
- h) **“Senior Management”** mean personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.



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SCOPE

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

OBJECTIVE

The Key Objectives of the policy would be:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management
2. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

GUIDING PRINCIPLES

The Policy ensures that:

1. The Nomination and Remuneration Committee (“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 and
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.

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee. The following matters shall be dealt by the Committee:

1. **Size and Composition of the Board:** Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;
2. **Directors:** To formulate a criterion for determining qualifications, positive attributes and independence of a Director and to formulate criteria for evaluation of Independent Directors and the Board. Further, identify persons who are qualified to become Directors and who may be appointed or removed as Director or Senior Management in accordance with the criteria laid down in this policy. Appointment or removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
3. **Evaluation of performance:** Making recommendations to the Board on appropriate performance criteria for the Directors. Formulate criteria and framework for evaluation of the Board, its committees, and every Director and review the implementation and compliance of the manner in which evaluation is carried out.

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4. **Familiarization:** Identifying familiarization and training programs for the Board to ensure that Non-Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities.

5. **Remuneration framework and policies:**

The Nomination and Remuneration Committee is responsible for the below mentioned points:

- (i) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- (ii) Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- (iii) The Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non-Executive Directors.
- (iv) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

6. **Board Diversity:** The Nomination and Remuneration Committee shall ensure a transparent nomination process to the Board of Directors with the diversity of gender, thought, experience, qualification, knowledge, core skills, competencies, and perspective in the Board.

7. **Other functions:**

- (i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable
- (ii) To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT **APPOINTMENT OF DIRECTOR (INCLUDING INDEPENDENT DIRECTORS)**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

As per the applicable provisions of Companies Act 2013, Rules made thereunder, the Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s

CRITERIA FOR APPOINTMENT OF KMP/SENIOR MANAGEMENT



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To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities

1. To practice and encourage professionalism and transparent working environment.
2. To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
3. To adhere strictly to code of conduct.



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REMOVAL

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.

POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP & SENIOR MANAGEMENT PERSONNEL:

1. No director/KMP/ other employee is involved in deciding his or her own remuneration
2. The trend prevalent in the similar industry, nature and size of business is kept in view and given due weight age to arrive at a competitive quantum of remuneration.
3. Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
4. Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
5. Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
6. Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.
7. Executive remuneration is proposed by the Committee and subsequently approved by the Board of Directors. Executive remuneration is evaluated annually against performance. In determining packages of remuneration, the Committee may take the advice of the Chairman/ Managing Director of the Company.
8. The annual variable pay of senior managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against specific Key Result Areas, which are aligned to the Company's objectives.

FOLLOWING CRITERIA ARE ALSO TO BE CONSIDERED

Responsibilities and duties: Time & efforts devoted; Value addition; Profitability of the Company & growth of its business; Analyzing each and every position and skills for fixing the remuneration yardstick;

There should be consistent application of remuneration parameters across the organisation.

REVIEW

The policy shall be reviewed by the Nomination & Remuneration Committee and the Board, from time to time as may be necessary.



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