



## **XCHANGING SOLUTIONS LIMITED – NOMINATION AND REMUNERATION POLICY**

**This revised Nomination & Remuneration Policy shall come into effect from April 1, 2019**

### **1. PREAMBLE:**

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management (“Nomination and Remuneration Policy” or “NRC Policy”) has been formulated in pursuance of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (“Listing Regulations”).

### **2. DEFINITION:**

- a) **“Board”** means Board of Directors of the company
- b) **“Company”** means Xchanging Solutions Limited.
- c) **“Companies Act, 2013”** means the Companies Act, 2013 read with the Rules framed thereunder (including any modification(s) / amendment(s) / re-enactment(s) thereof) (the “Act”).
- d) **“Committee”** means Nomination and Remuneration Committee of Board of Directors of the Company
- e) **“Directors”** mean Directors of the Company.
- f) **“Independent Director”** means a director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.
- g) **“Key Managerial Personnel or KMP”** means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;
- h) **“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.

### **3. ROLE OF NOMINATION AND REMUNERATION COMMITTEE**

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- c) Devising a policy on diversity of board of directors;
- d) Identifying 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 of Director their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.



- e) 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.
- f) Recommend to the board, all remuneration, in whatever form, payable to senior management.
- g) While formulating the policy under sub-section (3) of 178 of the Companies Act, 2013 ensure that: -
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - 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.

#### **4. APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, key managerial personnel or at Senior Management level and recommend to the Board his / her appointment
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered.
- c) The Company should ensure that the person so appointed as Director/Independent Director/KMP/Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.
- d) The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force
- e) The Board shall decide the term or the tenure of the directors and Key Managerial Personnel, which shall be in accordance with the provisions of the Companies Act, 2013 and the applicable Rules made there under and the Listing Regulations
- f) The Committee shall carry out evaluation of performance of every Director and Key managerial personnel, on an annual basis.
- g) The sitting fees of the Independent Directors shall be determined by the Board and shall be within the limits prescribed under the provisions of the Companies Act, 2013 and the Rules made thereunder
- h) The remuneration and commission to be paid to the Whole-time Director/s 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 Companies Act, 2013



- i) Due to reasons for any disqualification mentioned in the Companies Act, 2013 or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and Listing regulations.
- j) The Director, KMP and Senior Management Personnel 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 Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.
- k) The Board of Directors shall have the optimum combination of Directors from the different areas to have diversified board composition.
- l) 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.

## **5. COMPOSITION OF THE COMMITTEE**

- a) The board of directors shall constitute the nomination and remuneration committee as follows:
  - the committee shall comprise of at least three directors;
  - all directors of the committee shall be non-executive directors; and
  - at least fifty percent of the directors shall be independent directors.

- b) The Chairperson of the nomination and remuneration committee shall be an independent director:

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.

- c) The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- d) The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries. If the Chairperson of the nomination and remuneration committee may not able to present at the annual general meeting. In this case, he may authorize any other Committee member to present at the annual general meeting.
- e) The nomination and remuneration committee shall meet at least once in a year.

## **5. AMENDMENTS TO THE POLICY**

The Board of Directors, on its own and / or as per the recommendations of Nomination Remuneration Committee can amend this Policy as and when deemed fit. Any or all provisions of this Policy would be subject to revision/amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

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), circular(s) etc.

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Incorporated w.e.f.: November 7, 2014  
Revised w.e.f: April 1, 2019