



NOMINATION AND REMUNERATION POLICY

1. Introduction:

Centum has formulated the Nomination and Remuneration Policy (the Policy) consisting of Constitution of the Nomination and Remuneration committee (Committee) and its objectives, appointment, remuneration of the Board, and such other matters as may be required under the Companies Act, 2013 and Clause 49 of the Listing agreement from time to time.

2. Constitution of the Committee:

The Board of Directors has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.

3. Objectives of the Committee:

The Objectives of the committee are spelt out in Section 178 of the Companies Act, 2013 and Clause 49 (7) of the Listing agreement. Accordingly, the Committee at Centum shall:

- a. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel (KMP) and other employees.
- b. Formulation of criteria for evaluation of Independent Director and the Board.
- c. Devising a policy on Board diversity.
- d. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- e. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

4. Definitions:

- “**Board**” means Board of Directors of the Company.
- “**Director**” means Directors of the Company.
- “**Independent Director**” means a non-executive director, other than nominee director and more particularly as defined under the Companies Act, 2013 and the revised Clause 49 of the Listing agreement.



- **“Key Managerial Personnel”**:- Key Managerial Personnel (KMP) means-
 - a. the Chief Executive Officer or the managing director or the manager;
 - b. the Whole-Time Director;
 - c. the Chief Financial Officer; and
 - d. the Company Secretary;
 - e. such other officer as may be prescribed under the applicable statutory provisions / regulations

- **“Senior Management”**:- The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

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.

5. Policy on Board diversity:

The Board of Directors shall have the optimum combination of Directors from the different areas/fields like Technology, Markets, Operations and Finance etc., and as may be considered appropriate.

The Board shall have at least one Board member who has accounting or related financial management expertise.

6. Appointment:

a. General Appointment Criteria:

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director/ Independent Director/ KMP/ Senior Management Personnel and accordingly recommend to the Board his / her appointment.

- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

- iii. The Director/ Independent Director/ KMP shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

b. Additional Criteria for Appointment of Independent Directors:

The Committee shall consider qualifications for Independent Directors as mentioned herein earlier under the head 'Definitions' and also their appointment and cessation shall be governed as per the provisions of clause 49 of the Listing Agreement (as amended from time to time) and the Companies Act, 2013.

7. Evaluation of the Board and Independent Director:

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

a. Executive Directors:

The Executive Directors shall be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time

b. Non-Executive Director:

The Non-Executive Directors shall be evaluated on the basis criteria mentioned in Section 178 of the Companies Act, 2013 and Clause 49 of the Listing agreement, which inter alia consists that the directors:

- i. act objectively and constructively while exercising their duties;
- ii. exercise their responsibilities in a bona fide manner in the interest of the company;
- iii. devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- iv. do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- v. refrain from any action that would lead to loss of his independence
- vi. inform the Board immediately when they lose their independence,
- vii. assist the company in implementing the best corporate governance practices.
- viii. strive to attend all meetings of the Board of Directors and the Committees;
- ix. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- x. strive to attend the general meetings of the company;
- xi. keep themselves well informed about the company and the external environment in which it operates;
- xii. do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- xiii. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- xiv. abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

c. Senior Management

The Senior Management shall be evaluated on the basis of targets / Criteria given to them by the Executive Director from time to time.

8. Remuneration:

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

a. Director/ Managing Director

Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Director/ Managing Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

b. Non-executive Independent Directors

The Non- Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof and commission as approved by the shareholders. Provided that the amount of such fees/commission shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

c. KMPs/ Senior Management Personnel etc .,

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

9. Directors' and Officers' Insurance

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. 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.
