

NOMINATION AND REMUNERATION POLICY

1. Introduction

The Nomination & Remuneration Policy ("**Policy**") of Computer Age Management Services Limited ("**CAMS**" or "**Company**") is formulated under Section 178(3) of the Companies Act, 2013("Act") and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("**Listing Regulations**").

The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), senior management (as defined below) and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company.

Applicability:

This policy is applicable to:

1. Directors
2. Key Managerial Personnel (KMP)
3. Senior Management
4. Other employees

2. Objective and Purpose

The objectives and purpose of this Policy are:

2.1. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company ("**Director**"); and

2.2. To recommend policy relating to the remuneration of the Directors, KMP and Senior Management to the Board of Directors of the Company ("**Board**").

2.3. To establish and review succession plans of the Board of Directors of the Company ("Board"), KMP and Senior Management.

2.4. To recommend candidates for appointment as Directors, KMP and Senior Management.

This includes reviewing and approving corporate goals and objectives relevant to the compensation of the executive Directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board), determine and approve executive Directors' compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

3. Constitution of the Nomination and Remuneration Committee

3.1. The Board has constituted the "Nomination and Remuneration Committee" of the Board on November 13, 2007. This is in line with the requirements under the Act and the Listing Regulations. This Policy and the Nomination and Remuneration Committee Charter are integral to the functioning of the Nomination and Remuneration Committee and are to be read together.

3.2. The Committee has considered the following factors laid down under Section 178(4) of the Companies Act, 2013, while formulating this policy:

- a) 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;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) 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

The Board has authority to reconstitute this Committee from time to time.

4. Definitions

- a. 'Board' means Board of Directors of the Company.
- b. 'Director(s)' means Directors of the Company, including executive directors, non-executive directors and Independent directors of the company.
- c. 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- d. 'Company' means Computer Age Management Services Limited.
- e. 'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- f. 'Key Managerial Personnel (KMP)' means-
 - i. the Managing Director or Chief Executive Officer or manager
 - ii. Whole-time Director
 - iii. the Company Secretary;
 - iv. the Chief Financial Officer; and
 - v. such other officer, not more than one level below the Directors who is in the whole-time employment, designated as a 'KMP' by the board and
 - vi. Any other person as defined under the Companies Act, 2013 from time to time
- g. Managing Director means a Director referred to in Section 2(54) of the Companies Act, 2013.
- h. Whole Time Director means a Director who is in whole time employment of the company.
- i. Senior Management Personnel means the employees of the company who are members of its core management team (excluding the Board of Directors) i.e., it would comprise of all members of the management of the company one level below the Chief Executive Officer,

Managing Director, Whole time director, including the functional and vertical heads, company secretary and chief financial officer. If the Chief executive officer is not part of the board, they shall also be included.

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

5. General

This Policy is divided in three parts: -

- Part – A: Covers the matters to be dealt with and recommended by the Committee to the Board;
- Part – B: Covers the appointment and removal of Directors, KMP and Senior Management; and
- Part – C: Covers remuneration for Directors, KMP and Senior Management

Part – A

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt with by the Committee:-

- (a) Identification and recommendation of candidates for appointment as Directors, KMP and Senior Management:

The Committee shall identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this Policy and recommend to the Board their appointment and removal. In this regard, the Committee may rely on the Company's management, or external search firm(s), or a mix of both, as the Committee deems fit from time to time.

- (b) Size and composition of the Board:

Periodically reviewing the size and composition of the Board to have an appropriate mix of executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;

The committee shall also assist the Board in ensuring that the Board nomination process is in line with the diversity policy of the Board. The policy is available on the website of the company.

- (c) Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position.

(d) Succession plans:

Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

(e) Evaluation of performance:

- i. Make recommendations to the Board on appropriate performance criteria for the Directors.
- ii. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third party facilitator in doing so.
- iii. Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

(f) Board diversity:

The Committee is to assist the Board in ensuring the Board nomination process is in line with the diversity policy of the Board relating to gender, thought, experience, knowledge and perspectives. The policy is hosted on the website of the company

(f) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

- a. Remuneration of executive Directors to be presented for shareholders' approval including severance, if any.
- b. Individual and total remuneration of non-executive Directors and the chairperson (if non-executive), including any additional fees payable for membership of Board committees;
- c. the remuneration and remuneration policies for KMP and Senior Management including base pay, incentive payments, equity awards, retirement rights, severance pay if any and service contracts having regard to the need to:
 - i. attract and motivate talent to pursue the Company's long term growth;
 - ii. demonstrate a clear relationship between executive compensation and performance;
 - iii. be reasonable and fair, having regard to best governance practices and legal requirements and
 - iv. balance between fixed and incentive pay reflecting short and long-term performance objectives as appropriate for the Company and its goals
- d. the Company's incentive compensation and equity based plans including a consideration of performance thresholds and regulatory and market requirements;

PART – B

Policy for appointment and removal of Directors, KMP and Senior Management

(a) *Appointment criteria and qualifications*

1. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
2. A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director / executive Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years. Notwithstanding the above, the Company shall not appoint or continue the employment of any person as a non-executive director (which shall include an independent director) who has attained the age of seventy-five years, unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
5. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.
6. The term/ tenure of the Directors, KMP and Senior Management/ other employees shall be in accordance with the Applicable Laws and their respective contracts/ terms of appointment (and shareholders and/or government approvals, where relevant).

(b) *Term / Tenure*

1. Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time 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.

2. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director 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. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to applicable regulations in force.

(c) 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.

(d) Retirement

The Directors, KMP and Senior Management 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 Directors, KMP and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

PART – C

Policy relating to the remuneration for Directors, KMP and Senior Management

(a) General

1. The remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Whole-time Director.

(b) Remuneration to KMP and Senior Management

The pay program for KMP and Senior Management has been designed around three primary pay components: Base/Fixed Pay, Performance Bonus and Stock Incentives. These three components together constitute the "Total Rewards" of the KMP and Senior Management.

1. **Base/ Fixed pay:** It is guaranteed pay and paid periodically, usually monthly or as per payroll policy.

2. **Performance Bonus:** Cash bonus, payable on the achievement of objective and quantifiable key performance indicators (KPI) as established by the Committee.
3. **Stock Incentives:** Stock or Equity based incentives can be either time based or performance-based equity grants. Time based stock incentives, in the form of stock options, are granted based on continuation of service. Performance based stock incentives are generally granted annually, in the form of Stock Options upon the achievement of Company and individual goals. The stock incentives are governed by the “**CAMS Employee Stock Option Plan 2019 and 2024** ” approved by the shareholders or any other plan as may be amended.

The total rewards for KMP and Senior Management is designed to ensure their continued alignment with organizational goals. The Committee aims to ensure that KMP and Senior Management pay is reflective of market pay, consisting of a mix of base/ fixed pay, performance bonus and stock incentives. The emphasis on stock incentives ensures alignment with shareholders’ interests, through a continued focus on the Company’s sustainable, long term performance.

(c) Remuneration to other employees

The compensation for other employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Senior Management Team.

(d) Minimum remuneration to Whole-time Directors

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013.

(e) Remuneration to Non-Executive / Independent Directors

- i. **Remuneration:** The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company’s performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.
- ii. **Stock incentive:** The Independent Directors shall not be entitled to any stock incentive of the Company.
- iii. The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

6. Policy review

(a) This Policy is framed based on the provisions of the Applicable Laws.

(b) In case of any subsequent changes in the provisions of the Applicable Laws which makes any of the provisions in the Policy inconsistent with such provision of the Applicable Laws, then such provisions of the Applicable Laws would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with Applicable Laws.

(c) This Policy shall be reviewed by the Committee, as required from time to time. Any changes or modification to the Policy as recommended by the Committee would be placed before the Board for their approval.
