

NOMINATION AND REMUNERATION POLICY
OF IRIS REGTECH SOLUTIONS LIMITED



Building Transparency. Driving Growth.



1. Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination And Remuneration Committee ('the Committee') and approved by the Board of Directors.

This Policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (the "Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations, 2015") and is subject to the provisions of other applicable laws as amended from time to time.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors. at its meeting held on *July 29, 2014*. This Policy was further revised by the Board of Directors of the Company at its meeting held on February, 2019

2. Objective and purpose of the Policy:

The objective and purpose of this policy are:

- Appointment of Directors including Independent Directors;
- Remuneration of Directors, Key Managerial Personnel ("KMP") and Senior Management Personnel ("SMP");
- Board Performance Evaluation.

3. Policy

The Nomination and Remuneration Committee is responsible for recommending this Policy to the Board including any amendments to be made in this Policy.

4. Review of the Policy

The Board is responsible for approving and overseeing implementation of this Policy.

The same will be reviewed and reassessed by the Committee as and when required. Recommendations shall be made to the Board to update this Policy for reasons that include but are not limited to regulatory changes. Implementation of this Policy shall be the responsibility of the Company Secretary who shall advise the Board from time to time. All the terms like Director, Managing Director, Key Managerial Personnel (KMP), Senior Managerial Person (SMP), Independent Director, Remuneration, Nomination and Remuneration Committee shall have the same meaning as assigned under the Act read with SEBI Listing Regulations, 2015. The power to interpret and administer the Policy shall rest with the Chairperson of the Committee whose decision shall be final and binding. The Chairperson is also empowered to make any supplementary rules/orders to ensure effective implementation of the Policy. These will, however, be reported to or placed before the Committee, from time to time, to ensure the Committee's oversight on the same.



5. Definitions

- a. **'Board'** means Board of Directors of the Company.
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.

6. Applicability

The Policy is applicable to:

- Directors (Executive and Non Executive including Independent)
- Key Managerial Personnel
- Senior Management Personnel

GENERAL

This Policy is divided in three parts:

- Part - A** : Criteria for appointment of Director, KMP and Senior Management
Part - B : Evaluation
Part - C : covers remuneration and perquisites etc.

The key features of this Company's policy shall be included in the Board's Report.



PART - A

CRITERIA FOR APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- a. 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.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c. The Company shall not appoint or continue the employment of any person as Whole-time Director 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 resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- d. The Committee shall recommend appointment of the shortlisted candidate for directorship to the Board for its consideration. The Committee shall also recommend remuneration payable to the Director, commensurate to the industry norms and position.
- e. If position of a Director suddenly becomes vacant by unanticipated occurrence of any event, the committee shall meet at the earliest opportunity to discuss succession and fill such vacancy such that the vacancy is filled in within the timelines prescribe under law.
- f. For appointment of Independent Directors, the Committee shall assess the independence of directors at the time of appointment/re-appointment and the Board shall assess the same annually as per the 'Policy on Independence of Directors'. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director
- g. An ideal Board candidate will have gained this experience in one or more of the settings outlined below:
 - o **Leadership & Business expertise** - Established leadership skills resulting in a practical understanding of the Company, its processes, developing talent, succession planning, strategic planning, driving change and long-term growth of the Company.
 - o **Industry experience** - Subject matter expert preferably from IT Industry/ Technology/Law/ Finance/ Marketing/ Economics or other complementary field which will provide important insights and perspectives on the Company's commercial, strategic, manufacturing, legal and other functions.
 - o **Risk Management** - Knowledge and understanding of enterprise risk management across safety, compliance, governance and business, identifying and evaluating significant risk exposures to strategy of the Company and assess the management's actions to mitigate risk exposures.
 - o **Digital Skills** - Experience and ability of developing strategy leveraging digital technologies to create value aligned with the Company's business goals and market trends, assessing and managing cybersecurity-related risks and guiding on cybersecurity policies, procedures and strategies.
 - o Such other specific skills, expertise, etc. as may be required.
- h. In considering candidates for election to the Board of Directors, the Board should constantly be striving to achieve the diversity of the communities in which the Company operates. The Committee shall work with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience



PART-B
EVALUATION:

- a. The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel as required under applicable laws.
- b. the Committee shall establish the criteria and processes for evaluation of performance of Individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board and recommend the same to the Board.
- c. The Committee shall establish the criteria and processes for evaluation of performance of Individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board and recommend the same to the Board.
- d. The Board is responsible for monitoring and reviewing of the Board Evaluation framework.
- e. The evaluation of independent directors shall be done by the entire board of directors which shall include
 - i. performance of directors; and
 - ii. fulfillment of the independence criteria as specified in these regulations and their independence from the management;
 - iii. Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.
- f. The Committee shall carry out evaluation of every director's performance;
- g. The appointment/re-appointment/continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.
- h. The performance evaluation shall take place annually. It shall be the responsibility of the Chairperson of the Committee to organise the evaluation process.
- i. Independent Directors Meeting:

The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non- independent Directors and members of the management.

Such meeting shall:

- a. review the performance of Non-independent Directors and the Board as a whole;
- b. review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors;
- c. assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties;
- d. discuss such other matters as the Independent Directors may deem fit;

The Independent Directors may call such meeting(s) at any point of time as desired



PART - C

**POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP
AND SENIOR MANAGEMENT PERSONNEL**

A. Remuneration to Whole-time/Executive/Managing Director, KMP and Senior Management Personnel:

The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

The remuneration and commission to be paid to the Whole-time Director 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, and the rules framed thereunder.

Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

1. Fixed pay:

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees, reimbursements of expenses etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

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 in accordance with the provisions of Schedule V of the Companies Act, 2013 .

3. Compensation Review

The compensation review, as a part of the performance management system cycle, shall be guided by Industry/business outlook, individual performance achieved during the applicable performance year. The review may take place as decided by the Committee



B. Remuneration to Non- Executive / Independent Director:

The remuneration should be sufficient to attract, motivate and retain best in class talent. Remuneration practice should be consistent with recognized best practice standards for Chairman and NED remuneration. The aggregate annual remuneration payable to the NEDs is determined by shareholder resolution, subject to the limits prescribed under law. The NED nominated by Promoters are not entitled to receive any remuneration.

1. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof provided that the amount of such fees shall not exceed the parameters mention in the Act or SEBI Regulations per meeting of the Board or Committee, or such amount as may be prescribed by the Central Government from time to time.

2. Commission:

Commission 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.

3. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.
