

SPECTRAA TECHNOLOGY SOLUTIONS LIMITED

CIN: U74999KA2009PLC048905

**Registered Office: 17/7 Ali Asker Road, Cunningham Rd, Bangalore G.P.O., Bangalore,
Bangalore North, Karnataka, India, 560001**

Email: cs@spectraa.com

NOMINATION AND REMUNERATION POLICY

❖ PRINCIPLES AND OBJECTIVES

This Nomination and Remuneration Policy (“**Policy**”) is formulated pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy applies to the Board of Directors, Key Managerial Personnel (“**KMP**”) and Senior Management of the Company.

The Nomination and Remuneration Committee (“**Committee**”) of the Board of Directors (“**Board**”) of *SPECTRAA TECHNOLOGY SOLUTIONS LIMITED* will report to the Board and shall support the Board in matters related to:

- i. To lay down criteria for appointment, removal, and evaluation of performance of Directors, KMP, and Senior Management.
- ii. Setup and composition of the Board, its committees and the leadership team of the company comprising Key Managerial Personnel (“**KMP**”) as defined by the Companies Act, 2013 and executive team (as defined by the committee).
- iii. Evaluation of performance of the Board, its committees and individual directors.
- iv. Remuneration for directors, KMP, executive team and other employees.
- v. Oversight of the familiarization programme of directors.
- vi. Oversight of the HR philosophy, HR and People strategy and key HR practices.

This Policy has been reviewed and approved by the Board of Directors and shall come into effect from the Date of Listing of the Equity Shares of the Company on the stock exchange.

❖ DEFINITIONS

- ❖ “**Act**” means the Companies Act, 2013, rules framed there under and any amendments thereto.
- ❖ “**Applicable Law**” shall mean all laws, statutes, regulations, notifications, circulars, guidelines, rules, directions, and orders issued by any governmental, statutory, regulatory, or judicial authority, whether in India or elsewhere, which are applicable to the Company and its operations from time to time, including but not limited to the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the LODR Regulations, and any amendments or re-enactments thereof.
- ❖ “**Board of Directors**” or “**Board**” means collective body of directors of the company or its Committee;
- ❖ “**Committee**” shall mean the Nomination and Remuneration Committee (“**NCR**”) of the Company constituted under applicable law.
- ❖ “**Key Managerial Personnel (KMP)**” shall mean and include the Managing Director, Chief Executive Officer, Whole-time Director, Chief Financial Officer, Company Secretary, and such other officer as may be prescribed under Section 2(51) of the Companies Act, 2013 or under applicable SEBI Regulations.
- ❖ “**Listing Regulations/LODR Regulations**” means the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015.



- ❖ **“Senior Management”** shall mean the 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.

The words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992; Companies Act, 2013; LODR Regulations; and other applicable laws, and/or the rules and regulations made there under shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

❖ **COMPOSITION**

1. The committee shall comprise at least three or more non-executive directors out of which not less than one-half shall be independent directors.
2. The Chairman of the committee shall be an independent director.
3. The Company Secretary of the Company shall act as the secretary to the committee and will be responsible for taking adequate minutes of the proceedings and reporting on actions taken in the subsequent meeting.

❖ **MEETINGS**

The committee is required to meet at least once a year.

❖ **QUORUM FOR THE MEETING**

The quorum necessary for a meeting of the Nomination and Remuneration Committee is one third of total members of the Nomination and Remuneration Committee or 2 members including at least one Independent Director, whichever is higher.

❖ **AUTHORITY AND POWER**

The committee shall have the power to:

- Investigate any matter within the scope of this charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director of the company.
- Invite such executives, as it considers appropriate to be present at the meetings of the committee.
- Ask for any records or documents of the Company.

The committee may also engage (at the expense of the company) independent consultants and other advisors and seek their advice on matters related to discharge of their responsibilities.

❖ **RESPONSIBILITIES**

The responsibilities of the committee shall include the following:

Board Composition and Succession Related:

- Recommend to the Board the setup and composition of the Board. This shall include “Formulation of the criteria for determining qualifications, positive attributes and independence of a director”. This also includes periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.



- Support the Board in matters related to the setup, review and refresh of the committees.
- Devise a policy on Board diversity.
- Recommend to the Board the appointment or reappointment of directors. For the purpose of identification of prospective directors, the committee may be supported by Group Executive Office.
- Recommend to the Board, the appointment of KMP and Senior Management. The committee shall consult the Audit Committee of the Board before recommending the appointment of the Chief Financial Officer (“CFO”).
- Formulate and recommend to the Board plans for orderly succession for appointments to the board (MD & ED), KMPs and other senior management.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- The policy shall be placed on the website of the company, if any, and the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.
- 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.
- In accordance with Schedule 5 of the LODR Regulations, the Policy shall be disclosed in the Corporate Governance Report under the Annual Report of the company as additional disclosures.

❖ **PERFORMANCE EVALUATION**

In compliance with Listing Regulations and the Companies Act, Board shall evaluate its own performance along with that of its Committees. Further performance evaluation of all directors will be carried by the Nomination and Remuneration Committee, which shall be reviewed by the Board. The criteria for evaluation of the performance of the Board, its Committee and Individual Directors shall be framed by the Committee in consultation with the Board.

❖ **TERM / TENURE:**

1. MANAGING DIRECTOR / WHOLE-TIME DIRECTOR / MANGER (MANAGERIAL PERSONNEL)

The Company shall appoint managerial personnel as per the Companies Act, 2013 and SEBI (LODR) Regulation, 2015. The Company shall appoint or re-appoint any person as its Managing Director/Whole-time Director/Manager 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.

❖ REMUNERATION TO EXECUTIVE DIRECTOR & KMP'S

- Recommend the remuneration policy for the directors, KMP, Senior management and other employees. This includes review and recommendation of the design of annual and long-term incentive plan (includes deferred payment plans, equity plans, etc.) for Managing Director (“MD”)/ Executive Directors (“ED”), KMPs and the executive team. While formulating such a policy the committee shall ensure compliance with Section 178(4) of the Act including:
 1. 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;
 2. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 3. remuneration to Directors, KMPs 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.
- On an annual basis, recommend to the Board the remuneration payable to directors, KMPs and senior management of the company. This includes review and recommendation of actual payment of annual and long-term incentives for MD/ EDs, KMPs and executive team.
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/ EDs, KMPs and executive team.
- Review matters related to voluntary retirement and early separation schemes for the company.
- Provide guidelines for remuneration of directors on material subsidiaries¹.
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of Board, KMPs and Senior Management.
- This includes review and approval of any information related to directors, KMPs, executive team and their remuneration to be presented in the annual report or other external communications (statutory or otherwise).

❖ SITTING FEES TO NON-EXECUTIVE DIRECTOR

REMUNERATION/ COMMISSION

The remuneration/commission shall be in accordance with the statutory provisions of the Act and the rules made there under for the time being in force.



SITTING FEES

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

STOCK OPTIONS

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

❖ BOARD DEVELOPMENT:

Oversee familiarization programmes for Directors.

❖ REVIEW OF HR STRATEGY, PHILOSOPHY AND PRACTICES:

Review HR and People strategy and its alignment with the business strategy periodically or when a change is made to either.

Review the efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMPs and executive team).

❖ OTHER FUNCTIONS:

Perform other activities related to the charter as requested by the Board from time to time or required under any applicable law.

❖ REPORTING

The committee will periodically report to the Board on various matters that it has considered.

❖ REVIEW OF POLICY

The Nomination and Remuneration Committee shall review this Policy from time to time and recommend suitable changes as may be required for the approval of the Board.

