**GLOBALLOGIC INDIA LIMITED**

[F.Y. 2015-16]

**NOMINATION AND REMNERATION POLICY**

***In pursuance to Provisions of Section 178 of Companies Act, 2013 and rules made there under.***

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NOMINATION AND REMUNERATION POLICY

**1. Preamble**

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that Shareholders remain informed and confident in the management of the Company. The Company also understands the importance of attracting and maintaining high quality individuals from directors right through to support staff.

**2. Purpose**

The objectives of this policy are:

* To create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company;
* Encourage people to perform to their highest level;
* Allow the Company to compete in each relevant employment market;
* Provide consistency in remuneration throughout the Company; and
* Align the performance of the business with the performance of key individuals and teams within the Company.

The policy details the types of remuneration to be offered by the Company and factors to be considered by the Board, Nomination & Remuneration Committee and management in determining the appropriate remuneration strategy.

The Board will revise this Mandate from time to time based on its assessment of the Company’s needs, legal and regulatory developments, and applicable best practices.

**3. Membership of the Committee**

Globallogic India Limited will institute a Nomination and Remuneration Committee of the Board consisting of three directors including at least two Independent Director. It is intended that a majority of the Committee at any time will be independent directors. The Chair of the Committee shall be designated by the Board from among the Committee members.

Consistent with the above, the Nomination and Remuneration Committee of the Board shall have the following members:

1 (Independent Director)

2 (Independent Director)

3 (One Non-Executive Director)

The Board may appoint such additional members to the Committee or remove and replace members of the Committee by resolution. Where not appointed as a member, the Chair of the Board may attend meetings of the committee at his or her discretion, in an ex-officio capacity. Members of management may also attend meetings of the Committee at the invitation of the Chair. No Executive Officer of the Company may participate in deliberations of the Committee (whether as a member of the NR Committee or in an ex-officio capacity) where he or she has a personal interest.

**4. Terms of Reference**

The terms of reference of the Nomination and Remuneration Committee are as under:

* To identify persons who are qualified to become directors, persons who may be appointed in senior management and to recommend to the Board their appointment and / or removal.;
* To carry out evaluation of every director's performance and senior management performance.
* To establish criteria and processes for, and assist the Board and each of its Committees in their performance evaluations.
* To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
* To recommend / reviewing the appointments and termination of to senior management positions and, where appropriate, making recommendations to the Board regarding their approval.
* To recommend / review remuneration of Director (s) and other Senior Management personnel based on their performance and defined assessment criteria;
* To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
* The committee may form and delegate authority to subcommittees when appropriate.
* The committee is responsible for organizing, reviewing and reporting on any special reviews or investigations deemed necessary by the board.
* Periodically assessing the appropriate mix of skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board;
* To perform such other functions as may be necessary or appropriate for the performance of its duties.

**5. Purpose, Function and Responsibility of the Committee**

The Remuneration and Nomination Committee shall provide assistance to the board of directors in fulfilling its corporate governance and oversight responsibilities. The main functions and responsibilities of the Remuneration and Nomination Committee include the following:

**Appointment Criteria and Qualifications:**

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 Wholetime 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.

**Term / Tenure**:

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a maximum term (one) up to five consecutive years or as may be approved by the Board and shareholders 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 of upto maximum of 5 years each, 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

**Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**Removal:**

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations there under, 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 said Act, rules and regulations.

**Retirement:**

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act 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.

**POLICY FOR REMUNERATION TO DIRECTORS/ KMP/ SENIOR MAMAGEMENT PERSONNEL:**

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

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 there under or any other enactment for the time being in force.

2. Remuneration to Non-Executive/Independent Director:

The Non-Executive Independent Director may receive remuneration/compensation/commission as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

3. Remuneration to other Employees:

• Apart from the Directors, KMPs and Senior Management Personnel, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions.

• The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

• The annual increments to the remuneration paid to the employees shall be determined based on the appraisal carried out by the HODs of various departments.

Decision on Annual Increments shall be made on the basis of this appraisal

**NOMINATION DUTIES:**

The duties of the Committee in relation to nomination matters include:

• Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;

• Identifying and recommending Directors who are to be put forward for retirement by rotation.

• Determining the appropriate size, diversity and composition of the Board and other board committees;

• Evaluating the performance of the Board members and Senior Management in the context of the Company’s performance from business and compliance perspective;

• Recommend any necessary changes to the Board as per requirement under Companies Act, 2013.

• Considering any other matters as may be requested by the Board.

* Review the overall composition of the board and board committees, taking into account factors such as:
  1. expertise of each board member
  2. business experience
  3. integrity
  4. skills
  5. breadth of experience
  6. knowledge about the company's business or industry
  7. willingness to devote time and effort to the board

and make appropriate recommendations as necessary. As such, the committee shall determine the criteria, objectives and procedure for selecting new board members.

* Make recommendations to the board in relation to appropriate performance criteria, for both the individual directors and full board acting as a collective body. This may include such items as level of director attendance, preparedness, participation and contribution.
* Review, develop and recommend to the board if necessary, the criteria for determining director independence.
* The committee shall develop and review any relevant succession plans.
* The committee shall reassess the adequacy of this charter at least annually and submit any proposed changes to the board for review, discussion and approval.

When appointing a new director the committee shall at all times act in accordance with the “Procedure for Selection and Appointment of New Directors” as specified under Companies Act, 2013 and in context to their duties and responsibilities.

**REMUNERATION DUTIES**:

The duties of the Committee in relation to remuneration matters include:

* to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
* to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
* to consider any other matters as may be requested by the Board;

**6. Meeting**

The Committee must meet atleast four times in a Year at appropriate intervals. Additional meetings may be called upon serving of proper notice at any time to address specific needs of the Company. The Committee may also take action from time to time by unanimous written consent. A Committee meeting may be called by the Committee Chairman, or any Committee member. The meeting must be held within business hours on a day which is not a public holiday.

Where any meeting of the Committee adjourns due to any reason the same shall stand adjourned till the next week at the same time and place on a day which is not a public holiday.

The extracts of the meeting must be recorded in the Minutes and shall be signed and confirmed by next meeting by the Chairman of the meeting or where such chairman ceases to be chairman or committee member then by Chairman of the next meeting.

**7. Agenda and Notice**

Notice of the time and place of each meeting of the Committee must be served to each Committee member either by personal delivery, electronic mail, facsimile or other electronic means by not less than 7 clear days before the date of the meeting. However, whenever necessary Committee meetings may be held at any time at a shorter notice if all of the Committee members consent to hold meeting at a shorter notice or in case of urgency without serving upon notice where a Committee member participating in a Committee meeting is deemed to have waived notice of the meeting. The practice of the Committee is to provide notice of meetings to all directors in order that they may attend the meeting.

The Chairman of the Committee shall establish the agenda for each Committee meeting. The agenda of the business to be transacted at meeting shall be distributed to Committee members along with Notice. Each Committee member is free to request the inclusion of other agenda items.

**8. Quorum and Attendance**

A quorum for any Committee meeting shall be one-third of its total strength (any fraction contained in that one-third to be rounded off as one) or two members, whichever is higher. A Committee member who is unable to attend a Committee meeting in person may participate by telephone or teleconference or by video Conference . Participation through video conference shall be counted for the purpose of quorum.

**9. Reporting**

The policy formed by Nomination and Remuneration Committee will be reported as part of the Director’s Report in the Company’s Annual Report and also as per any other statutory and regulatory reporting requirements.

**10. Review**

The Board will at least once per year review the membership and charter of the Committee to determine its adequacy for current circumstances. Where necessary the Board may by resolution, alter the responsibilities, functions or membership of the Committee.

The Committee may also recommend to the Board the formal adoption of the revised charter for future operations of the Committee.

**11. Remuneration Policy**

Globallogic India Limited Remuneration Policy focuses on attracting, motivating and retaining the highest caliber of business leaders. Globallogic India Limited ensures that all elements of Directors’ remuneration are carefully benchmarked with the current market dynamics and remain commensurate with the industry norms. This is essential to the successful leadership and effective management administration of Globallogic India Limited.

This policy governs the operations of the Remuneration and Nomination Committee. The committee shall review and reassess the policy at least annually and obtain the approval of the board of directors.

This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy. However, no such amendment or modification will be binding on the Directors and employees unless the same is communicated in the manner described as above