

## **ANNEXTURE TO DIRECTORS' REPORT**

### **NOMINATION AND REMUNERATION POLICY**

The Policy is divided into three parts:

- Part A:** This part covers the matters to be dealt with and recommended by the Committee to the Board
- Part B:** This part covers the appointment and nomination; and
- Part C:** This part covers remuneration and perquisites etc.

#### **PART-A**

#### **MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE**

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- b) Identify person(s) who is/are qualified and eligible to become Director (Executive, Non-Executive viz. Independent or Non Independent) and persons who may be appointed in Key Managerial Personnel (KMP) and/ or Senior Management Positions (SMP).
- c) Recommend to the Board, appointment and removal of any Director/ KMP / SMP.

#### **PART-B**

#### **POLICY FOR APPOINTMENT AND REMOVAL OF A DIRECTOR, KMP AND SMP**

Appointment criteria and qualifications:

- a) Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person(s) for appointment as Director, KMP or at Senior Management (SMP) level and recommend their appointment, wherever required.
- 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 in the Company.

- c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole time Director who has attained the age of seventy years (70 years). Provided however that the term of the person holding such position may be extended beyond the age of seventy years (70 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**

### **Managing Director/ Whole-time Director**

The Company shall appoint or re-appoint any person as its Managing Director and/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.

### **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 however 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 seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

### **Evaluation of performance**

The Committee shall carry out evaluation of performance of every Director, KMP's and SMP's at regular interval.

### **Removal**

Due to reasons for any disqualification stated in the Companies Act, 2013 & rules made thereunder or under any other applicable Act, rules and regulations or otherwise as the Committee and Board may think fit in the best interest of the Company, the Committee may recommend, to the Board with reasons recorded in writing, removal of any such Director, Key Managerial Personnel or Senior Management Personnel.

## **Retirement**

A Director, Key Managerial Personnel and Senior Management Personnel 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 Director, Key Managerial Personnel, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age subject to compliance of applicable provisions related thereto.

## **PART – C**

### **POLICY RELATING TO THE REMUNERATION FOR THE MANAGING DIRECTOR (MD), WHOLE-TIME DIRECTOR (WTD), KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL (SMP)**

#### **GENERAL**

- a) The remuneration / compensation / commission etc. of the Managing Director, Whole-time Director, Key Managerial Personnel and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. However, the remuneration / compensation / commission etc. of the Managing Director and Whole-time Director, shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required under the respective provisions of the Companies Act and Rules made there under read with provisions of Memorandum & Articles of Association of the Company.
- b) The remuneration and commission to be paid to the Managing Director and/or Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down under the provisions of the Companies Act and Rules made there under read with provisions of Memorandum & Articles of Association of the Company.
- c) 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 Managing Director and/or Whole-time Director subject to the provisions of the Companies Act, 2013 and Rules & Regulations made thereunder. Increments will be effective from the date as may be decided by the Board in line with recommendation of Committee.
- d) Where any insurance is taken by the Company on behalf of its Managing Director(s), Whole-time Director(s), Chief Executive Officer, Chief Financial Officer, Company Secretary and any other employees 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. Provided however that if such person is proved to be guilty, the premium paid towards such insurance policy shall be treated as part of the remuneration.

## **FIXED REMUNERATION/SALARY/COMPENSATION**

Managing Director/ Whole-time Director / Key Managerial Personnel 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 Provident Fund (P.F), pension scheme, medical expenses, other perquisites etc. shall be decided and approved by the Board on the recommendation of the Committee. Provided however appointment and payment of remuneration to Managing Director/ Whole Time Director/ Executive Director/ Key Managerial Personnel shall also be approved by the shareholders and/ or Central Government, wherever required and stipulated in the Act.

## **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 and/or Managing Director in accordance with the provisions of the Companies Act, 2013.

## **PROVISIONS FOR EXCESS REMUNERATION**

If any Managing Director/ Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government/ competent Authority.

## **REMUNERATION TO NON- EXECUTIVE / INDEPENDENT DIRECTOR**

### **Remuneration and commission**

The remuneration / commission, if applicable, shall be fixed as per the slabs and/or percentage to the turnover/ profits as per the provisions of the Companies Act and Rules made there under read with provisions of Memorandum & Articles of Association of the Company.

### **Sitting Fees**

The Non- Executive / Independent Director shall receive remuneration by way of fees for attending meetings of Board or Committee(s) thereof as may be approved by the Board from time to time on recommendation of Committee thereof. Provided however that the amount of such fees shall not exceed Rs. 100,000/- (Rupees One Lakh) per meeting of the Board or Committee or such other amount as may be prescribed by the Central Government from time to time.

## **Commission**

Commission shall 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.

## **STOCK OPTIONS**

Stock Options in the form of Employees Stock Options Plan (ESOP)/ Employees Stock Options Scheme (ESOS) shall be given by the Company to the Directors/ Key Managerial Personnel and or other employees of the Company as per scheme framed by the Company from time to time in terms with provisions of Section 62, Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 read with the provisions of Articles of Association of the Company. Provided however that Independent Directors shall not be eligible to participate in ESOP scheme of the Company unless otherwise permissible under the provisions of the Companies Act prevailing at the time of grant of such options.

For & on behalf of Board of Directors  
Vihaan Networks Limited

Place : New Delhi  
Date : 27.09.2021

Sd/-  
Rajiv Mehrotra  
Chairman & Whole Time Director  
DIN No. 00035766