

NOMINATION AND REMUNERATION POLICY

1. PREAMBLE

This policy on the nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors ("Policy").

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the "Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. The Board has constituted a nomination and remuneration committee (the "NRC") which is in compliance with the requirements of the Companies Act, 2013.

2. OBJECTIVES OF THE NRC

The NRC shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- Devise a policy on diversity of Board of Directors;
- 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.
- To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

3. DEFINITIONS

- a) **"Board"** or **"Board of Directors"**: - Board or Board of Directors means the board of directors of the Company.
- b) **"Director"**: - Director means Director of the Company appointed in accordance with the Companies Act, 2013.
- c) **"NRC"**: - NRC means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- d) **"Company"**: - Company means SecureKloud Technologies Limited.

- e) **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined/ covered under the Income-tax Act, 1961;
- f) **“Key Managerial Personnel”** means:
 - I. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole- time Director;
 - II. Chief Financial Officer;
 - III. Company Secretary; and
 - IV. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and such other officer as may be prescribed.
- g) **“Senior Managerial Personnel”** Senior Management’ Personnel includes 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. 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.
- h) **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- i) **“Employees’ Stock Option”** means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

4. APPLICABILITY

The Policy is applicable to:

- A. Directors (Executive and Non-Executive);
- B. Key Managerial Personnel; and
- C. Senior Management Personnel

5. ROLE OF NOMINATION & REMUNERATION COMMITTEE

The role of the Committee inter alia will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;

- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates
- To formulate criteria for evaluation of Independent Directors and the Board.
 - To 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.
 - To carry out evaluation of Director's performance, including extension or continuance of the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
 - To recommend to the Board the appointment and removal of Directors and Senior Management.
 - To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
 - To devise a policy on Board diversity, composition, size.
 - Succession planning for change in Board of Directors, Senior Managerial Personnel, Key Managerial Personnel and overseeing.
 - 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.
 - To perform such other functions as may be necessary or appropriate for the performance of its duties.

6. DUTIES

- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board
- Review and update as necessary the existing minimum selection criteria with regards to education, work experience, or as may be deemed suitable for the Board;
- Lay down the criteria for establishing the independence of an 'Independent Director'
- Lay down criteria for performance evaluation of the Independent and Executive Directors, the Chairman, the entire Board;
- Review the performance of the Executive Board members, Senior Management and the Key Managerial Personnel based on the existing performance management system of the Company;
- To ensure that there is diversity in the Board structure
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan.

7. DISCLOSURE

The Policy shall be placed on the website of the Company and 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.

8. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

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 his / her appointment, as per Company's Policy.

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment as required under the provisions of Companies Act, 2013 & related rules, SEBI Act, 1992 including the regulations thereunder. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

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 in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

The appointment, re-appointment or removal of an independent director of the Company, shall be subject to the approval of shareholders by way of a special resolution

The Company shall give disclosures regarding the appointment, re-appointment or removal of director as required under provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

No independent director, who resigns from the Company, shall be appointed as an executive/ whole time director on the board of the Company, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director.

9. 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 re-appointment shall be made earlier than one year before the expiry of term.

b) 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 shall be made in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of five 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.

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 Managing Director/ Whole-time Director of a listed company or such other number as may be prescribed under the Act.

10. PROVISIONS RELATING TO REMUNERATION OF, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

General

- a) The remuneration / compensation / commission etc, in whatever form payable to Key Managerial Personnel 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.
- b) The remuneration and commission to be paid to Key Managerial Personnel and Senior Management Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- 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 Key Managerial Personnel and Senior Management Personnel. Increments will be effective from the date of reappointment.
- d) Where any insurance, including D&O insurance is taken by the Company on behalf of its Directors, Key Managerial Personnel, Senior Management Personnel 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 that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Managing/ Whole-time Directors, Key Managerial Personnel and Senior Management:

1. Fixed pay

Managing/ Whole-time Directors, Key Managerial Personnel and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees 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.

Subject to the provisions of SEBI (LODR) Regulations, 2015, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the Company, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director

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 Managing/ Whole-Time Directors, Key Managerial Personnel and Senior Management in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. Provisions for excess remuneration

If any Managing/ Whole-time Directors, Key Managerial Personnel and Senior Management 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.

Remuneration to Non-Executive / Independent Director:

1. Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder & SEBI (LODR) Regulations, 2015 for the time being in force.

Any remuneration paid to non-executive for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes stated as above if the following conditions are satisfied:

- a) The Services are rendered by such Director in his capacity as the professional; and
- b) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

The board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting.

2. 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 maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. The requirement of obtaining approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees without approval of the Central Government.

3. Limit of Remuneration /Commission: Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options: An Independent Director shall not be entitled to any stock option of the Company. The Nomination and remuneration Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options

and other share based payments to be made to Directors (other than Independent Directors).

11. EVALUATION

The Committee shall carry out evaluation of performance of Director, Key Managerial Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary.

The evaluation of the Independent Directors shall be done by the entire Board of Directors which shall include performance of the directors including the contributions made to the Board deliberations on various matters including business strategy, financial strategy, operations, cost and risk management, etc., and suggestions given in this regard and fulfillment of the independence criteria as specified in SEBI LODR Regulations and their independence from the management.

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

12. REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

An independent director who resigns or is removed from the board of directors of the Company shall be replaced by a new independent director by the Company at the earliest but not later than three months from the date of such vacancy:

Provided that where the Company fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply

13. RETIREMENT

The Director, Key Managerial Personnel 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, Key Managerial Personnel, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

14. AMENDMENTS

The Board on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

*Amended with effect from March 28, 2025