

# LUMINA DATAMATICS LIMITED

## REMUNERATION POLICY

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- **Introduction**

Lumina Datamatics Limited, through the Nomination and Remuneration Committee, has designed the remuneration policy in order to attract, motivate and retain the executive talent needed to achieve superior performance in a competitive market. The Nomination and Remuneration Committee and this Policy are in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

- **Objective**

The key objectives of this policy are as follows:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the IT- ITES industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. 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 10th February, 2016.

- **Definitions**

“**Board**” means Board of Directors of the Company.

“**Directors**” means Directors of the Company.

“**Key Managerial Personnel**” means—

- (i) Whole-time director;
- (ii) Chief Executive Officer or the managing director or the manager;
- (iii) Chief Financial Officer;
- (iv) Company Secretary; and
- (v) Such other officer as may be prescribed.

“**Senior Management**” means personnel of the Company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads and all the employees of Grade M12 and above.

“**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

- **Applicability**

**This Policy is applicable to**

- Director [Executive director and Non-Executive Director(s)];
- Key Managerial Personnel(s); or
- Senior Management i.e. from Grade M12 and above.

This Policy shall also apply to all future employment agreements with members of Company's Senior Management and Key Managerial Personnel.

This policy shall be effective from 10th February, 2016.

- **Role of Committee**

The role of the Committee shall *inter-alia*, include the following:

- Formulate criteria for determining qualifications, positive attributes and independence of a director;
- Identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Key Managerial Personnel or at Senior Management level and recommend to the Board his / her appointment;
- Recommend to the Board the appointment and removal of Key Managerial Personnel and Senior Management.
- Carry out evaluation of Director's performance at regular interval and recommend to the Board appointment /removal based on his / her performance;
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To recommend to the Board on policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and incentive;
- To consider any other matters as may be requested by the Board.

- **Remuneration**

- The remuneration to the Wholetime Directors, KMP and Senior Management Personnel's will be determined by the Committee and recommended to the Board for their approval. The remuneration shall be subject to the approval of the shareholders of the Company and Central Government, if required.
- The remuneration to be paid to the Wholetime Directors shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
- Increments to the existing remuneration/compensation structure of wholetime directors should be within the percentage approved by shareholders and shall be recommended by the Committee to the Board.
- The Non-Executive/Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of fees shall be approved by the Board and shareholders, whenever required.
- The Non-executive/Independent Directors are entitled to remuneration by way of commission for every financial year upto limit of 0.25% of net profits of the Company, as approved by the shareholders of the Company.
- Senior management personnel would be granted stock options under one or more Datamatics employee's stock option plans/schemes and the vesting would take place based on the performance rating of the senior management personnel.
- An Independent Director shall not be entitled to any stock option of the Company.

- **Amendment**

The Board reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Amendment may be necessary, among other reasons, to maintain compliance with local, state, central and federal regulations and/or accommodate organizational changes within the Company.

Approved by

**For and on behalf of Board of Directors**

Sd/-

**Sameer Kanodia**

**Managing Director & CEO**