

NOMINATION AND REMUNERATION POLICY OF FDC LIMITED

This Policy on the appointment of Directors, including Independent Directors, Key Managerial Personnel (KMP) and Senior Management and Policy on the remuneration of the Directors, KMP and other Employees is provided pursuant to the provisions of Section 178 of the Companies Act, 2013 and the Rules made thereunder, and Regulation 19 and Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“Listing Obligations”).

Human Resources play an important role in the growth and success of the Company. Having a Board with diversified expertise and experience, adequate composition of the Executive and Independent Directors provides the required vision and mission for the Company, in order to achieve its pre-determined goals and diversify its business operations.

The Company has in place a “Nomination and Remuneration Committee”, consisting of 5 (Five) Independent and Non-Executive Directors.

1. OBJECTIVE

The Key Objectives of the Committee are as follows:

- a. to guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- b. to evaluate the performance of the individual members of the Board at the time of their appointment/ re-appointment, and provide necessary reports to the Board for further evaluation of the Board; and
- c. to recommend to the Board on the remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

2. DEFINITIONS

- a. **“The Board”** means the Board of Directors of the Company
- b. **“Director”** means a Director of the Company
- c. **“Independent Director”** means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

- d. **“Key Managerial Personnel”** means
 - (i) Chief Executive Officer or the Managing Director or the Manager;
 - (ii) Wholetime Director;
 - (iii) Chief Financial Officer; and
 - (iv) Company Secretary;

- e. **“Senior Management”** means personnel of the Company who are members of it’s core Management team, excluding the Board of Directors, and all members of the Management, one level below the Executive Directors.

3. ROLE OF THE COMMITTEE

The role of the Committee, inter alia, would include the following:

- a. To formulate a criteria for determining qualifications, positive attributes and independence of a Director;

- b. To recommend to the Board the appointment and removal of Senior Management;

- c. To carry out evaluation of Director’s performance and recommend to the Board their appointment / removal based on his / her performance;

- d. To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive;

- e. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

- f. To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,

- g. To recommend to the Board, all remuneration, in whatever form, payable to senior management.

- h. To devise a policy on Board diversity; and

- i. To develop a succession plan for the Board

4. CONSTITUTION OF THE COMMITTEE

- a. The Committee shall consist of a minimum Three (3) Non-Executive directors, the majority of them being independent.
- b. Minimum Two (2) members shall constitute a quorum for the Committee meeting
- c. Membership of the Committee shall be disclosed in the Annual Report.
- d. Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRMAN

- a. The Chairman of the Committee shall be an Independent Director.
- b. The Chairman of the Company may be appointed as a member of the Committee, but shall not be a Chairman of the Committee.
- c. In the absence of the Chairman, the members of the Committee, present at the meeting, shall choose one amongst them to act as the Chairman.
- d. The Chairman of the Committee may be present at the Annual General Meeting, or may nominate some other member, to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The Meeting of the Committee shall be held at such regular intervals, as may be required from time to time.

7. COMMITTEE MEMBERS' INTERESTS

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting, or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

- a. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present, and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES

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

- a. Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b. 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;
- c. Identifying and recommending Directors who are to be put forward for appointment/ re-appointment/retirement by rotation;
- d. Determining the appropriate size, diversity and composition of the Board;
- e. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- f. Evaluating the performance of the Board members and Senior Management, in the context of the Company's performance from business and compliance perspectives;
- g. Making recommendations to the Board concerning any matters relating to the continuance in office of any Director, at any time, including the suspension or termination of service of an Executive Director, as an employee of the Company, subject to the provisions of the law and their service contract;
- h. Delegating any of its powers to one or more of its members, or the Secretary of the Committee;
- i. Recommend any necessary changes to the Board; and
- j. Considering any other matters, as may be requested by the Board.

11. NOMINATION PROCEDURE

While appointing the appropriate individual to the Board of Directors, the Committee shall first consider and recommend to the Board of Directors the suitable candidate for Directorship, proposed by the Managing Director, taking into consideration the candidate's skills, knowledge, expertise, experience, time, commitment, character, professionalism and integrity.

For the position of Independent, Non-Executive Directors, the Committee would also evaluate the candidate's ability to discharge such responsibilities, as expected of an Independent, Non-Executive Director. The Committee shall evaluate the balance of skills, knowledge, experience and diversity of the Board of Directors.

The Committee shall prepare a description of the role and capabilities required for a particular appointment, before a recommendation is made to the Board of Directors.

In identifying the suitable candidates, the Committee shall take into account the following:

- a. review competencies, independence and time commitment of candidates;
- b. consider candidates from a wide range of backgrounds; and
- c. request to consider the disclosure of any business interests that may result in conflict of interest.

12. REMUNERATION DUTIES

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

- a. 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 for all elements of the remuneration of the members of the Board;
- b. 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;
- c. to delegate any of its powers to one or more of its members, or the Secretary of the Committee;
- d. to consider any other matters, as may be requested by the Board; and

- e. Professional indemnity and liability insurance for Directors and Senior Management;

13. PAYMENT OF REMUNERATION TO EXECUTIVE DIRECTORS:

The Remuneration of Executive Directors shall be fair and reasonable after taking into account the following factors:

- Level of skill, knowledge and core competence of individual.
- Functions, duties and responsibilities.
- Company's performance and achievements.
- Compensation of peers and industry standard.

The Company may if the need arise, strike a balance between the fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goal. The Nomination & Remuneration Committee of Board of Directors shall recommend periodic revision in the remuneration of Executive Directors to the Board and the Board shall fix their remuneration taking into consideration above factors as also ceiling limits prescribed under the Companies Act, 2013 and other statutes. The same shall also be approved by the shareholders, if required.

14. CRITERIA FOR MAKING PAYMENT TO NON-EXECUTIVE DIRECTOR

The Remuneration paid to the Non-Executive Directors shall comprise of Sitting Fees and Commission. The Sitting Fees paid to the Non-Executive Directors in respect of the meetings of the Board and the Committee Meetings attended by them shall be within the maximum limit set out under the Companies Act, 2013.

The Commission paid to the Directors shall be in accordance with the overall ceiling imposed by the Companies Act, 2013 and applicable statutes.

The Directors shall be entitled to reimbursement of reasonable expenditure incurred for attending Board/Committee Meetings, General Meetings, site visits, etc.

15. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be recorded as minutes and signed by the Chairman of the Committee. Minutes of the Committee meetings shall be placed at the subsequent Board meetings.

16. MODIFICATION OF POLICY

The Committee may modify this Policy, unilaterally, at any time. Modification may be necessary, among other reasons, to maintain compliance with the rules and regulations imposed by the Regulatory authorities.

POLICY ON SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT OF FDC LIMITED

Introduction:

The Securities and Exchange Board of India (SEBI) guidelines has directed the need for a succession plan pursuant to Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**). This is one of the most significant attempts to ensure that investors do not suffer due to sudden or unplanned gaps in leadership. It is a guideline stated by the SEBI for the Board of all the listed Companies to develop an action plan for successful transition of key executives. Pursuant to the Listing Regulations, FDC Limited (**'Company'**) is required to put in place a plan for orderly succession for appointment to the Board of Directors and Senior Management.

Whereas under Section 178 of the Companies Act, 2013 (**'Companies Act'**) and the terms and reference of the Nomination and Remuneration Committee, the Company is required to constitute a Nomination and Remuneration Committee and development of a succession plan for the Board and Senior Management is the role of the Nomination and Remuneration Committee.

Accordingly, this succession plan (**'Succession Plan'**) for the appointment of the Directors on the Board and Senior Management has been prepared by the Nomination and Remuneration Committee to give effect to the provisions of the Listing Regulations.

Objective:

The objective of this Policy is to ensure the orderly identification and selection of new Directors or Senior Management in the event of any vacancy, whether such vacancy exists by reason of an anticipated retirement, an unanticipated departure, the expansion of the size of the Company, or otherwise.

Definitions:

- i. **"Nomination and Remuneration Committee"** or **"Committee"** means the Committee of the Board constituted/re-constituted under the provisions of Regulation 19 of the LODR Regulations, 2015 read with Section 178 of the Companies Act, 2013 as in force from time to time.
- ii. **"Board of Directors"** or **"Board"** means the Board of Directors of FDC Limited as constituted/re-constituted from time to time.
- iii. **"Company"** means FDC Limited.
- iv. **"Policy"** or **"this Policy"** means Succession Policy.

v. **“Senior Management”** means personnel of the Company who are members of its core management team excluding the Board of Directors. Normally, this would comprise all members of management one level below the Executive Directors that includes CFO and CS.

Procedure:

a) **Board Level Appointment:** The Nomination and Remuneration Committee of the Company shall identify the suitable person from among the existing top management or from the outside to fill up the vacancy at the Board level. The appointment of the person at the Board level shall be in accordance with the applicable provisions of the Companies Act, 2013 read with terms of Corporate Governance as may be amended from time to time.

b) **Senior Management Level Appointment:** The vacancy at Senior Management Level i.e. all members of management one level below the Executive Directors that includes CFO and CS, shall be filled up by the Executive Directors in line with the internal policy of the Company, keeping in view the organization’s mission, vision, values, goals and objectives.

Emergency Succession:

If a Director/Senior Management position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Executive Directors shall take action as early as possible to implement the process described herein.

Review:

The Board/Committee shall review the implementation of this Policy on vacancy of any position to ensure its effectiveness and may also recommend changes, if any, to the Board for ensuring effective succession planning.

Disclosures:

The Company shall disclose this Policy on its website i.e. www.fdcindia.com